





large farms is enormously preponderating over that of small farms. There is no reason to assume that California is an exception to this rule. We care not for the twenty million and more acres, equal in extent to the State of Indiana, which have been alienated, belonging now to foreign lords. We care not for the nationality of the lords: it is of no importance to us; but we view with the utmost concern the irreconcilable conflict between alienated land and inalienable rights. What are the rights, without the land? Will American citizens continue to pride themselves upon their inalienable rights, while they are struggling to pay for the permission to make a living upon their alienated land?

In consideration of all the above stated facts, the Tax Reform League of California requests the voters of this State to abandon in future all issues that lead not to the goal, and to elevate this tax question to the test question of the policy of the future, by making it incumbent on all candidates for legislative offices to remove from individual enterprise and labor the taxes that now oppress it and impoverish the country by diminishing production, lowering wages and interest on capital—in short, bring about hard times, and to bind such candidates to cause the funds that are required for collective needs to be gathered from the results of collective labor, to the end that peace and plenty may come, that justice be done, and American principle prevail forever.

Address: California Tax Reform League, P. O. Box 2469, San Francisco.

Thomson

PROCEEDINGS OF
National Bankruptcy Convention,
HELD AT
WASHINGTON, D. C.,
January 16th and 17th, 1884.

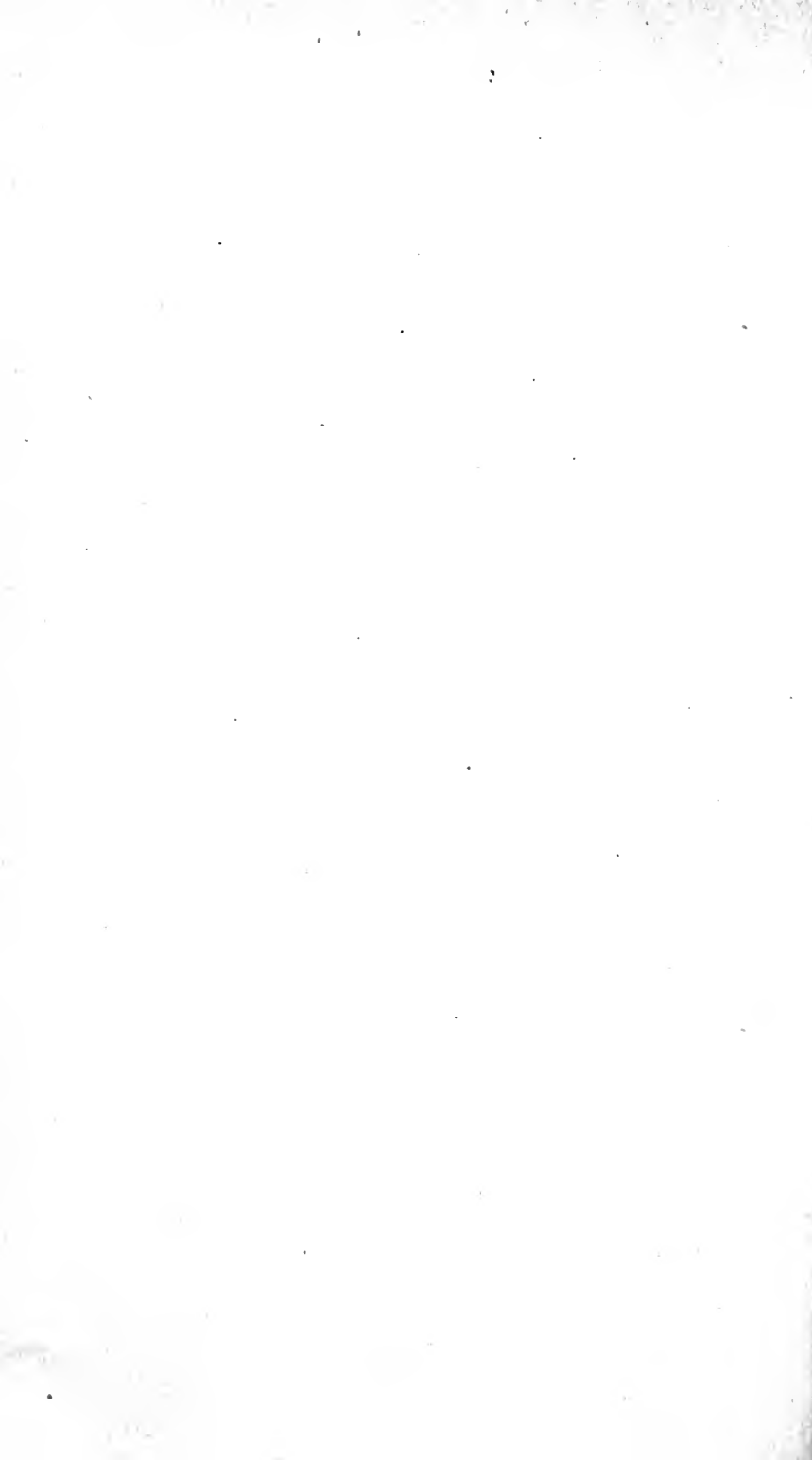
PROCEEDINGS OF

National Bankruptcy Convention,

HELD AT

WASHINGTON, D. C.,

January 16th and 17th, 1884.



SUMMARY OF PROCEEDINGS.

WASHINGTON, D. C.

WEDNESDAY, *January 16th*, 1884.

"A National Convention of Commercial Bodies who favor the Enactment of a Uniform and Equitable Bankrupt Law" assembled, pursuant to a call of the New York Board of Trade and Transportation, at Willard's Hotel, Washington, D. C., at 7 o'clock, P. M., Wednesday, January 16th, 1884.

Mr. A. B. MILLER, Chairman of the Committee of the New York Board of Trade and Transportation, having this matter in charge, took the chair, called to order and addressed the Convention as follows:

Gentlemen of the Convention:

As Chairman of the Special Committee of the Board of Trade and Transportation, under whose auspices this Convention has assembled, I will read the call issued by that body:

CALL FOR A NATIONAL CONVENTION OF COMMERCIAL BODIES WHO FAVOR THE
ENACTMENT OF A UNIFORM AND EQUITABLE BANKRUPT LAW.

*Rooms of the
New York Board of Trade and Transportation.*

NEW YORK, *November 16th*, 1883.

Satisfactory responses to our circular letter issued recently on the subject of the necessity of an immediate enactment by Congress of a uniform, just and National Bankrupt Law, having been received from the hereinafter named and friendly organizations, and which organizations, as well as others, have signified their earnest interest and intention of coöperating in said matter, viz.:

Chamber of Commerce, San Francisco, California.

Board of Trade, " "

Board of Trade, Los Angeles, "

Produce Exchange, " "

Board of Trade, Denver, Colorado.
 Board of Trade, Burlington, Iowa.
 Board of Trade, Davenport, “
 Produce Exchange, “ “
 Board of Trade, Dubuque, “
 Board of Trade, Leavenworth, Kansas.
 Board of Trade, Bangor, Maine.
 Board of Trade, Bath, “
 Board of Trade, Baltimore, Maryland.
 Corn and Flour Exchange, “ “
 Chemical and Fertilizer Exchange, “ “
 Shoe and Leather Board of Trade, “ “
 Bank Presidents' Association, Boston, Massachusetts.
 N. E. Shoe and Leather Association, “ “
 Produce Exchange, “ “
 Board of Trade, “ “
 National Board of Trade, HAMILTON A. HILL, *Secretary*, Boston, Mass.
 Merchants' Association, Boston, Massachusetts.
 Commercial Exchange, “ “
 Grocers' Association, “ “
 Business Men's Association, Springfield, “
 Board of Trade, East Saginaw, Michigan.
 Chamber of Commerce, Duluth, Minnesota.
 Chamber of Commerce, St. Paul, “
 Merchants' Exchange, St. Louis, Missouri.
 Commercial Exchange, St. Charles, “
 Board of Trade, Kansas City, “
 Board of Trade, Omaha, Nebraska.
 The Manufacturing Potters' Association, of Trenton, New Jersey.
 Board of Trade, Trenton, New Jersey.
 New York Jewelers' Association, New York.
 Legal Protective Association of Cigar Manufacturers of City of New York.
 United States Brewers' Association, New York.
 Association of United Lager Beer Brewers of New York and Vicinity, New York.
 Retail Grocers' Union, New York.
 Stationers' Board of Trade, New York.
 Chamber of Commerce of the State of New York, New York.
 The Association of Importers and Jobbers of China, Glass and Earthenware, New York.
 New York Produce Exchange, New York.
 Cotton and Grocers' Exchange, Raleigh, North Carolina.
 Alliance Protective Association, Alliance, Ohio.
 Board of Trade, Portland, Oregon.
 Board of Trade, Scranton, Pennsylvania.
 Board of Trade, Philadelphia, “

Produce Exchange, Philadelphia, Pennsylvania.

The Philadelphia Association of Manufacturers of Textile Fabrics, Philadelphia, Pennsylvania.

The Commercial Exchange of Philadelphia, Pennsylvania.

Chamber of Commerce of Pittsburgh, Pennsylvania.

Mercantile Jobbers' Association of Philadelphia, Pennsylvania.

West Branch Lumberman's Exchange, Williamsport, Pennsylvania.

Maritime Exchange, Philadelphia, Pennsylvania.

Board of Trade, Providence, Rhode Island.

Commercial Club of Providence, Rhode Island.

Rhode Island Society for Encouragement of Domestic Industry, Providence, Rhode Island.

Merchants' Exchange, Memphis, Tennessee.

Board of Trade, Chattanooga, "

Merchants' Exchange, Dallas, Texas.

Chamber of Commerce, Richmond, Virginia.

Commercial Club, " "

Commercial Exchange, Alexandria, "

Board of Trade, La Crosse, Wisconsin.

Therefore, in pursuance of the sentiments expressed on the subject by said organizations and others, and in furtherance of the important and National interests involved in said subject, it has been determined to hold a *National Convention* in the City of Washington on Wednesday the 16th day of January, 1884, to advocate the immediate passage by Congress of such a National, Uniform and Equitable Bankrupt Law, as shall be deemed most advantageous for the protection of the commercial interests of the country.

Your Association is hereby cordially invited to send one or more representatives to said Convention, in furtherance of the herein expressed objects.

Due notice of the hour and place of meeting will be given.

Respectfully, &c.,

DARWIN R. JAMES,

Secretary.

Now, gentlemen, I do not propose to occupy your time to any considerable extent, yet I cannot forbear directing your attention to the great importance of the work that we have undertaken, in its relations to the prosperity of our country, with all the term implies.

It will be generally conceded, and perhaps not denied by any one, that the greater the protection afforded by law for the prompt and least expensive methods of collecting just debts, with proper punishment of fraudulent debtors, the more freely and widely will credits be extended.

The benefits conferred by credit can scarcely be over-est-i

mated ; it is absolutely essential to human progress, nations as well as individuals are equally dependent upon it, the measure of a country's prosperity may be almost infallibly determined by the extent of its credits ; in fact, no national greatness—at least in modern times—has been achieved without it. It is the right arm of nations, furnishing the sinews of war whether for the extension of their empire, or to maintain their integrity. Taking as an example the history of our own country, it can safely be said that without credit its independence would not have been achieved, and instead of this mighty and rapidly growing republic, teeming with about 55,000,000 of energetic and intelligent freemen, with its territory extending from the Atlantic to the Pacific oceans, abounding in wealth and resources that justly cause it to be the envy and admiration alike of all other nations, we should have remained a mere appanage of the British Crown, possessing, probably, but a tithe of our present population, territory and wealth.

In like manner in all the multifarious pursuits of civil life, agriculture, manufactures, commerce, mining &c., credit is found to be absolutely indispensable for their successful developement. To it are we specially indebted for the astonishing achievements that have resulted from recent discoveries in the field of science, particularly as relates to the wonderful utilization of those great forces of nature, steam and electricity, which have within less than half a century, revolutionized the modes and methods of the various occupations of mankind throughout a large portion of the earth, cheapening the cost of both the necessities and luxuries of life, almost annihilating time and space, and in the consequent ability of man to travel and enjoy, it may be truly said to have more than quadrupled the term of human life.

Finally, credit is the stepping stone which enables the humblest and poorest person, with laudable ambition, thrift and honesty, to elevate himself, and not infrequently attain the highest eminence in honor and wealth.

The record of the year just passed (1883), shows a greater number of failures than any other year in our history, with the exception of 1878. Although there is but one year in which there was a greater number of failures, there are several in which

the amount of liabilities was larger; as for instance in 1857, there were but 4,933 failures, while the liabilities reached the enormous sum of \$291,750,000, compared with 10,299 failures and \$175,968,000 liabilities in 1883. This leads to the inference that the majority of those who failed in 1883 were small dealers, who, doubtless in many instances have been tempted to do so by the opportunities afforded by the exceedingly loose State assignment laws, which may not be inappropriately termed, acts to encourage frauds.

TABLE SHOWING FAILURES, ASSETS, &c., FOR 1882 AND 1883.

Failures.	Gross Liabilities.	Actual Assets.	Specified Preference.
1883.....10,299	\$175,698,000	\$90,804,000	\$9,685,568
1882.....7,635	93,238,936	47,469,674	4,919,823
Excess in 1883 2,664	\$82,729,064	\$43,334,326	\$4,765,745

It will be seen by a comparison of the amount of specific preferences for 1882 and 1883, as exhibited in the foregoing table, that the amount for 1883 is almost double that of 1882, showing the constantly increasing tendency to prefer relatives and friends to the not infrequent cutting off of every real creditor from participation in the assets. The table does not include the amounts preferred to favored creditors and relatives under the flimsy guises of chattel and realty mortgages, confessed judgments, &c., given shortly prior to the assignment or failure; if these were added the figures would reach startling proportions.

Having thus briefly and perhaps crudely shown the vital importance of credit as a principal factor in the prosperity of nations and individuals, with the alarming increase in failures and tendency to fraud under existing State laws, I will not further occupy the time of the convention except to say that the almost supernatural wisdom and prescience of the framers of the Constitution enabled them to see that the welfare and prosperity of the people of the United States, with their numerous and varied forms of State government, exercising authority in many respects that constitute them an *imperium in imperio*, rendered it necessary for the proper continuance of liberal credits on which the general

welfare so largely depended, that the Federal government should possess the power to enact a uniform Bankrupt law.

For the purpose of availing of the wise provision of that fundamental law, this convention has assembled to formulate and present to Congress for enactment, a just and equitable Bankrupt law, such a law as was doubtless intended by the framers of our Constitution, which in its operation shall secure to the people the largest measure of credit.

What is the pleasure of the Convention?

Mr. DAVID HIRSCH, of New York:—Mr. Chairman, I nominate for temporary chairman of this Convention the Honorable George H. Anderson, of the Pittsburg Chamber of Commerce.

The motion was seconded and agreed to, and Mr. Anderson came forward and took the chair as temporary chairman of the Convention, and said:

Gentlemen—I thank you for the honor you have conferred upon me; I thank you most heartily, I assure you; and I take this opportunity to say that I think it a fair subject of congratulation that so many intelligent representatives of the great business interests of the country are here assembled from all sections of the United States for the purpose named in the call of this Convention. It is peculiarly gratifying to me that this is the case on this occasion, and I hope that the work entrusted to us will be performed with moderation and wisdom, so that when its results are made known to those who sent us here, they will receive universal and hearty commendation.

We are now ready for the transaction of business, and the first in order will be the appointment of a temporary secretary or secretaries.

Mr. PATRICK FARRELLY, of New York:—Mr. Chairman, I nominate Col. George Moore Smith, representing the Mechanics & Traders' Exchange of New York, as temporary secretary.

The motion was seconded and carried, and Mr. Smith assumed the duties of temporary secretary of the Convention.

The temporary CHAIRMAN:—I presume a Committee on Credentials and Organization will be next in order.

Mr. PATRICK FARRELLY:—I move that seven members be appointed by the chair as a Committee on Credentials and Permanent Organization.

The motion was seconded and carried.

The chair named the following gentlemen to serve as a Committee on Credentials and Permanent Organization.

PATRICK FARRELLY, of New York, N. Y.

JOHN STETSON, of Boston, Mass.

GEORGE L. WRIGHT, of St. Louis, Mo.

WINFIELD S. DUNAN, of Baltimore, Md.

BENJ. S. JANNEY, JR., of Philadelphia, Pa.

M. EHRLMAN, of San Francisco, Cal.

E. T. CURTIS, of Rochester, N. Y.

At the suggestion of Mr. Farrelly, of New York, the temporary secretary proceeded to call the roll of delegates present.

The following is a list of delegates appointed to the Convention and the bodies they respectively represented:

ALABAMA.

Mobile Cotton Exchange.

R. MOORE.

CALIFORNIA.

San Francisco Chamber of Commerce.

Hon. JOHN F. MILLER, (U. S. Senator).

San Francisco Board of Trade.

M. EHRLMAN.

COLORADO.

Board of Trade of the Pueblos.

Hon. ALVA ADAMS.

CONNECTICUT.

Bridgeport Board of Trade.
Hon. E. W. SEYMOUR, (M.C).

DELAWARE.

Wilmington Board of Trade.

(Delegates were promised from this Board, but their names have not been given the Secretary).

GEORGIA.

Savannah Board of Trade.
Capt. D. G. PURSE.

ILLINOIS.

Cairo Board of Trade.
W. P. HALLIDAY.

Chicago Board of Trade.
Hon. JOHN C. DORE,
MURRY NELSON,
Hon. R. W. DUNHAM, (M. C).

Merchants' Association of Aurora.]

Col. H. H. EVANS.

IOWA.

Burlington Board of Trade.
P. M. CRAPO,
HIRAM PURDY,
J. CULLATON.

Dubuque Board of Trade.
Hon. D. B. HENDERSON, (M. C).

KANSAS.

Fort Scott Board of Trade.

Hon. BISHOP W. PERKINS, (M. C.)

Leavenworth Board of Trade.

Hon. JOHN J. INGALLS, (U. S. Senator).

Hon. E. N. MERRILL, (M. C.)

LOUISIANA.

New Orleans Chamber of Commerce.

C. S. KELLOGG,

J. H. KENNARD.

MAINE.

Bath Board of Trade.

Hon. NELSON DINGLEY, (M.C.)

Bangor Board of Trade.

Hon. CHARLES A. BOUTELLE (M. C.)

MARYLAND.

Merchants and Manufacturers' Association of Baltimore.

J. Q. ADAMS,

THOMAS DEFORD,

WM. T. DIXON,

WM. S. POWELL,

PHILIP DARBY.

Shoe and Leather Board of Trade of Baltimore.

J. ROSS DIGGS,

WARD CRANE,

HENRY CLARK,

HORACE SLINGLUFF.

Baltimore Corn and Flour Exchange.

ROBERT M. WYLIE,
ROBERT W. GWATHMEY,
E. B. OWENS.

Chemical and Fertilizer Exchange of Baltimore.

WINFIELD S. DUNAN.

Clothiers' Association of Baltimore.

ANDREW SAKS,
JOSEPH WALTER,
JACOB MANN.

MASSACHUSETTS.

New England Shoe and Leather Association, of Boston.

CHARLES A. GRINNELL,
WILLIAM CLAFLIN,
DANIEL W. WILCOX,
M. S. STETSON.

Commercial Club of Boston.

PHINEAS PIERCE,
WM. HENRY ALLEN,
CHAS. H. ALLEN.

Boston Board of Trade.

JOHN STETSON.

Boston Merchants' Association.

Hon. LEOPOLD MORSE, (M. C.)
OSCAR H. SAMPSON.

Boston Merchants' Club.

THOMAS DANA,
THOMAS E. PROCTOR,
ASA P. POTTER.

Wholesale Grocers' Association of Boston.
Col. THOMAS E. BARKER.

New England Furniture Exchange, (Boston).
LEVI S. GOULD.

Bank Presidents' Association of Boston.
BENJ. E. COLE, (Pres. Shoe & Leather Bank).
JOHN CUMMINGS, (Pres. Shawmut Bank).
CHAS. O. BILLINGS, (Pres. Globe Bank).

Boston Produce Exchange.
J. V. FLETCHER.

Boston Fish Bureau.
Hon. JOHN D. LONG, (M. C.).

Business Men's Association of Springfield, Mass.
Col. H. M. PHILLIPS,
Col. E. D. METCALF,
JOHN M. SMITH.

Commercial Club of Brockton, Mass.
JAMES S. ALLEN.

MICHIGAN.

Adrian Citizens' Association.
Hon. NATHANIEL B. ELDRIDGE (M. C.)

MINNESOTA.

Minneapolis Board of Trade.
Hon. WM. D. WASHBURN (M. C.)
A. C. RAND,
R. R. LANGDON.

St. Paul Chamber of Commerce.

Hon. D. M. SABIN (U. S. Senator),

Hon. S. J. R. McMILLAN (U. S. Senator),

Gen. JAMES H. BAKER,

E. S. EDGERTON.

Rochester Board of Trade.

Hon. S. J. R. McMILLAN (U. S. Senator.)

Chamber of Commerce, Duluth (Minn.)

(Delegates promised from this body, but their names have not been given the Secretary.)

MISSOURI.

Kansas City Board of Trade.

JAMES M. NAVE,

R. T. VAN HORN.

Merchants Exchange of St. Louis.

GEO. L. WRIGHT,

JAY L. TORREY.

Commercial Exchange, St. Charles, Mo.

Hon. A. H. BUCKNER (M.C.)

NEBRASKA.

Omaha Board of Trade.

Hon. H. G. CLARK,

Hon. CHARLES F. MANDERSON, (U. S. Senator).

NEW HAMPSHIRE.

Manchester Board of Trade.

HENRY M. BAKER,

Hon. H. W. BLAIR (U. S. Senator).

NEW JERSEY.

Trenton Board of Trade.

Hon. J. HART BREWER (M.C.),

B. GILL,

Hon. JOHN TAYLOR,

H. T. COOK.

The Manufacturing Potters' Association of Trenton, N. J.

Hon. J. HART BREWER (M.C.)

NEW YORK.

New York Board of Trade and Transportation.

A. B. MILLER,

PATRICK FARRELLY,

BENJAMIN LICHTENSTEIN,

MORRIS S. WISE.

Association of the United Lager Beer Brewers of New York and
vicinity.

HENRY CLAUSEN, Jr.

The Stationers' Board of Trade (New York).

GEORGE L. PEASE,

WM. T. PRATT,

WM. I. MARTIN.

N. Y. Jewelers' Association.

THOMAS G. BROWN,

D. F. APPLETON.

Mechanics and Traders' Exchange (New York).

GEO. MOORE SMITH.

Manhattan Hay and Produce Exchange.

WHEELER POWELL,

CHARLES L. RICKERSON,

HAZEN KIMBALL,

E. A. DILLENBECK.

Legal Protective Association of Cigar Manufacturers (New York).

DAVID HIRSCH,
FRANK MCCOY.

Clothiers' Association of New York.

JULIUS HAMMERSLOUGH.

Association of Importers and Jobbers of China, Glass and Earthenware (New York).

ISIDOR STRAUS,
OLIVER A. GAGER.

N. Y. Retail Grocers' Union.

C. F. BUSSING,
H. H. RITTERBUSCH.

Elmira Board of Trade.

WM. J. LORMORE,
J. R. JOSLYN,
Hon. JOHN ARNOT (M. C.).

Convention of Merchants and Manufacturers of Rochester, N. Y.

HENRY S. MICHAELS,
DAVID M. HOUGH.

Clothiers' Association of Rochester, N. Y.

HENRY S. MICHAELS.

NORTH CAROLINA.

Charlotte Chamber of Commerce.

Hon. Z. B. VANCE (U. S. Senator),
Hon. CLEMENT DOWD (M. C.).

Cotton and Grocers' Exchange, Raleigh, N. C.

Gen'l W. R. COX (M. C.),
Col. A. W. SHAFFER.

OHIO.

Board of Trade and Transportation of Cincinnati.

JOSEPH A. SCARLETT,
GAZZAM GANO,
NATHAN DRUCKER,
LOUIS KROHN.

Cincinnati Chamber of Commerce.

Gen'l LEWIS SEASONGOOD.

The Board of Trade, Gallipolis, Ohio.

Hon. JOHN W. McCORMICK (M. C.).

OREGON.

Portland (Oregon) Board of Trade.

Hon. J. N. DOLPH (U. S. Senator),
Hon. J. H. SLATER (U. S. Senator),
Hon. M. C. GEORGE (M. C.)

PENNSYLVANIA.

Scranton Board of Trade.

W. T. SMITH,
Dr. B. H. THROOP,
A. W. DICKSON,
HENRY BELEN.

Pittsburgh Chamber of Commerce.

Hon. GEO. H. ANDERSON,
JOHN F. DRAVO,
JOHN H. RICKETSON.

Philadelphia Maritime Exchange.

E. R. SHARWOOD.

The Philadelphia Association of Manufacturers of Textile
Fabrics.

Hon. H. H. BINGHAM (M. C.).

Philadelphia Board of Trade.

BENJAMIN S. JANNEY,
ELTON B. GIFFORD.

Philadelphia Commercial Exchange.

SETH I. COMLY,
GEO. W. ELKINS,
H. K. CUMMINGS,
WILSON WELSH.

Philadelphia Produce Exchange.

JOHN J. MACDONALD,
JAMES D. FERGUSON.

Clothing Exchange of Philadelphia.

HERMAN S. FRIEDMAN.

RHODE ISLAND.

Providence Board of Trade.

Hon. JONATHAN CHACE (M. C.)
CHARLES H. GEORGE.

Rhode Island Society for Encouragement of Domestic Industry (Providence, R. I.).

Hon. JONATHAN CHACE (M. C.)
CHARLES H. GEORGE.

Westerly Business Men's Association.

Hon. H. J. SPOONER (M. C.).

Business Men's Association (Pawtucket, R. I.).

Hon. A. H. LITTLEFIELD,
H. B. METCALF,
GEO. H. CLARK.

TENNESSEE.

Memphis Merchants' Exchange.

(Delegates promised from this Body, but their names have not been given the Secretary.)

Chattanooga Board of Trade.

M. J. O'BRIEN.

TEXAS.

Merchants' Exchange of Dallas.

(Delegates promised from this Body, but their names have not been given the Secretary.)

VIRGINIA.

Richmond Chamber of Commerce

Hon. GEO. L. CHRISTIAN,

GUSTAVUS MILLHISER,

CLAIBORNE WATKINS.

Merchants' and Manufacturers' Exchange of Norfolk.

J. T. BORUM,

C. BILLUPS.

Commercial Club of Richmond.

ANDREW L. ELLETT,

WM. L. ROYALL.

Commercial Exchange, of Alexandria.

G. Y. WORTHINGTON,

P. B. HOVE,

W. A. MOORE.

WISCONSIN.

Business Men's Association, Oshkosh.

Hon. PHILETUS SAWYER (U. S. Senator).

NATIONAL ASSOCIATIONS.

The National Association of Stove Manufacturers.

Hon. ISAAC SHEPARD of Philadelphia, Pa.

Hon. JOHN S. PERRY of Albany, N. Y.

The Boot and Shoe Manufacturers of the United States.
E. T. CURTIS of Rochester, N. Y.

Association of Dealers in Pottery in the United States.
W. R. WRIGHT of Philadelphia, Pa.

U. S. Brewers' Association.
H. B. SCHARMANN, of Brooklyn, N. Y.

On motion, a short recess was taken to enable the Committee on Credentials and Permanent Organization to make its report.

After the recess—

Mr. FARRELLY, of New York, (Chairman of the Committee on Credentials and Permanent Organization):—Mr. Chairman, your committee begs leave to report the names of the following gentlemen as permanent officers of this Convention :

Chairman: JAY L. TORREY, of St. Louis.

Secretary: Col. GEORGE MOORE SMITH, of New York.

Vice-Presidents :

Hon. GEORGE H. ANDERSON, of Pittsburg, Pa.

Hon. A. H. LITTLEFIELD, of Providence, R. I.

CLAIBORNE WATKINS, of Richmond, Va.

Hon. ALVA ADAMS, of Pueblo, Col.

M. EHRLMAN, of San Francisco, Cal.

WM. S. POWELL, of Baltimore, Md.

C. S. KELLOGG, of New Orleans, La.

JOHN STETSON, of Boston, Mass.

Hon. JOHN S. PERRY, Albany, N. Y.

MURRY NELSON, Chicago, Ill.

The report of the Committee on Credentials and Permanent Organization was unanimously agreed to.

The Temporary Chairman:—Mr. TORREY, of St. Louis, will please come forward and take the chair.

Mr. Torrey, on assuming the chair as Permanent Chairman of the Convention, was greeted with applause, and spoke as follows :

Gentlemen of the Convention: I thank you for the honor that you have conferred upon me in electing me the Chairman of this Convention. No greater honor could be conferred upon any gentleman than to preside over a body composed of the representatives of organizations that are the foundation of this Convention. I feel, as I look upon the elements here assembled, that you are earnest and that you are determined. The result of the deliberations of a body like this must have great weight in promoting legislation upon the subject that we are met to consider. You are to be congratulated at having assembled at this time. As you are aware, the bankruptcy legislation of the past has occurred at times of great commercial crises when there was a great demand for the release of debtors from their debts. You come together to-day, however, in an era of prosperity. You meet at a time when you can consider with unbiased judgment the rights of both debtors and creditors, and can recommend such legislation as shall be just and equitable to all classes of citizens.

As you come from business bodies who are expected to work rather than to talk, I will conclude my remarks, and will receive such business as you may bring before this Convention. (Applause.)

Mr. STETSON, of Boston :—I think it would be well, Mr. Chairman, to have a committee appointed to consider all proposals, bills, amendments or substitutes, the purpose of the committee being the perfecting of a bill to be reported to Congress. It seems to me that we should be very careful, in reaching that result, to have a committee constituted under the civil service rule idea—entirely and absolutely and certainly free from any machine politics; and therefore I move that a Committee on Amendments be appointed, to consist of one member from each delegation, to be designated and reported to the Chairman of the Convention by each delegation.

The motion was seconded.

Mr. DRUCKER, of Cincinnati :—It appears to me that that would make a large committee. As probably a large majority of the

bodies are represented by only a single member, I think it would make a very unwieldy committee.

Mr. ANDERSON of Pittsburg:—I move to amend the motion so as to make the committee appointed by the Chairman. (The motion was seconded.) I simply want to say that to have a committee composed of probably two-thirds or three-fourths of the entire body would, I believe, be no gain over transacting the business directly by the whole Convention. I am opposed to committing to such a large and unwieldy body the handling of important business. I am satisfied that a committee of seven will do the work much more satisfactorily.

Mr. Stetson accepted the amendment of Mr. Anderson, to have a committee appointed by the Chair.

The CHAIRMAN:—The question will be upon appointing a committee of seven members to whom may be referred all matters now before the body relating to the form and elements of the bill.

The motion was agreed to.

MR. ROYALL of Richmond:—Mr. President, I think it is very important, before this committee goes into a consideration of its duties, that it should have some sort of direction from this Convention as to the line of discussion it shall pursue. With a view to having some direction given in that way I ask leave to offer this resolution, as something in the way of instructions to the committee:

Resolved, That said committee inquire and report especially whether, in case it recommends a bankrupt bill, such act should provide for voluntary bankruptcy, and how and in what manner assignees shall be chosen; whether any provision should be made for composition with creditors, and whether it is practicable to provide for enforcing such act in the State courts, and if so, whether it is advisable.

If the Convention will pardon me, I would be glad to submit a few remarks in advocacy of this proposition. I think it will eliminate a great deal from the discussion.

In attempting to formulate a bankrupt law, Mr. Chairman, we have two suggestions made to the mind, one a proposition for a

voluntary bankruptcy law (that is, a law by which a debtor who gets himself involved in trouble can go to a court, and without the consent of his creditors strip himself of his debts); and the other is a proposition for an act by which a creditor who has been defrauded by his debtor, or against whom his debtor has made unfair preferences, can strip him of his property, can destroy these unfair preferences, and have the debtor's property speedily and fairly distributed amongst all those entitled to it. There are the two schemes suggested.

I am utterly and entirely opposed to the first of these schemes, for the reason that the country makes no demand for it. There is no class of society that demands a law by which they can strip themselves of their debts without the consent of their creditors. The country has not passed recently through any period of financial panic. There has been no crisis to cause great numbers of people to become financially involved, and consequently there are no people demanding that sort of a law.

I am opposed to it also upon various other grounds which, however, I shall pass by for the purposes of these remarks.

There is, however, sir, a demand for a bankrupt act. Who are they who demand it, and what is the character of the demand? We can, perhaps, arrive at some information upon this subject by considering the various classes of our population.

Those who are engaged in agriculture make no demand for a bankrupt law, either of a voluntary or involuntary character, and they constitute a very large part of our population, perhaps at least one-third. Those in the employment of corporations and who live by salaries make no demand for a bankrupt act, either voluntary or involuntary, and they constitute a very large part of our population. The last census shows that there are sixteen hundred thousand persons in the employment of corporations alone. Those who are engaged in domestic service ask for no bankrupt legislation. The laboring men ask for none, and the men of wealth ask for none. So that it reduces itself to this, that no class of our population ask for it except those who are engaged in trade and commerce, and even of these there is a large portion that ask for none. The petty retail dealer who sells for cash asks for none. So that it reduces itself to this: that the only

class that asks for a bankruptcy law are those who sell in large parcels on time. They do ask for a bankruptcy law, and they ought to have one.

What sort of a bankrupt law is it that they ask for? Does the wholesale dealer, the manufacturer, the jobber, or the large retail merchant ask for a law by which, when his debtor has succeeded perhaps in swindling him, has got his money in his pocket, has his goods unpaid for—does he ask for a law by which that debtor can go into a court of justice and upon his own request, and without the consent of his creditors free himself from his obligation? Unquestionably not. That is the last thing in the world which that merchant asks for. He asks for a law by which, when he has been defrauded by his debtor, or by which, when the person dealing with him has made an unfair preference against him, he can strip him of his assets and have them distributed amongst those entitled to them—his creditors.

Therefore, I shall ask this Convention to practically instruct this committee that they want no bill reported here by which the debtor can free himself from debt upon his own volition, but that we wish a bill reported here by which the creditor can pursue his fraudulent debtor, or one who has made an unfair preference against him, and secure his assets and have them distributed amongst those entitled.

Having arrived at this conclusion as to the character of law we want, there is a matter of detail which, in my judgment, it is most important to consider, and that is the question of the manner in which the assignees shall be appointed.

The CHAIRMAN:—If you will pardon me, you have discussed the question whether we shall have an involuntary bankrupt law. I suggest, in order to facilitate business, that we shall first dispose of the various resolutions, and that matter can come up afterwards in some other form.

The CHAIRMAN:—This is a proposition to instruct the committee. Do I hear a second to that portion of the resolution which has been offered by the gentleman from Virginia?

The motion was seconded.

The CHAIRMAN :—The proposition is to instruct your committee to report a bill that does not contain any provision for voluntary bankruptcy.

Mr. METCALF of R. I.:—I rise simply to say that I think it would be exceedingly unwise at this early stage to begin to instruct our committee on radical points.

Mr. DORE of Chicago :—The gentleman has almost said what I intended to say. It does not appear to me, Mr. Chairman, that we should be called upon to vote on that motion at this time, for while the gentleman has made a very fine speech on that side, I do not know but there can be a better one made on the other side. Before I vote to instruct I should want to have the question discussed on both sides, and it seems to me that most gentlemen would like to have the same privilege.

Mr. DRUCKER of Cincinnati :—Mr. Chairman, as I understand the proposition, the intention of the motion to refer these matters to this committee is simply in order to cut off any debate at the present moment, and submit to that committee all resolutions, all motions and all matters pertaining to whatever bill shall be framed. That would include voluntary and involuntary and every other kind of bankruptcy. Therefore, I believe that the quickest way to get to business is simply to refer the papers to that committee and not argue anything of any kind at present.

The CHAIRMAN :—I suppose you put that in the form of a substitute.

Mr. DRUCKER :—Yes, sir.

The CHAIRMAN :—The gentleman moves as a substitute for the one to instruct the committee, that all matters be referred to the committee without debate.

The substitute was agreed to.

Mr. METCALF of R. I.:—If it is in accordance with the ruling of the Chair, I will make this request: That the bill known as the United States Senate Edition of the Lowell Bill be referred to the committee.

The CHAIRMAN :—Under the ruling the bill will be so referred.

The Chair desires to announce the following Committee on Amendments and Bills to consider the various bankrupt bills and measures that may be referred to them :

JOHN STETSON of Boston, Mass.
 GEORGE H. ANDERSON of Pittsburg, Pa.
 MORRIS S. WISE of New York, N. Y.
 HENRY B. METCALF of Pawtucket, R. I.
 H. G. CLARK of Omaha, Neb.
 JOHN C. DORE of Chicago, Ill.
 WINFIELD S. DUNAN of Baltimore, Md.
 A. W. SHAFFER of Raleigh, N. C.

Bills were then introduced as follows, and referred to the committee :

By Mr. Dore of Chicago, the Ingalls Bill.

By Mr. Watkins of Richmond, bill drawn by Mr. Royall of Virginia.

By Mr. Michaels of Rochester, the Felix Campbell Bill.

By Mr. Evans of Chicago, resolution of the Merchants' Association of Aurora, Ill.

By Mr. George of R. I., a series of resolutions adopted by the Providence Board of Trade.

Several other bills, resolutions and so forth, were afterwards informally presented and referred to the committee.

Mr. FARRELLY of N. Y.:—I move that power be given to the chairman of the committee to fill vacancies in the committee. It is possible that some of the gentlemen named will be obliged to leave the city.

The motion was seconded and agreed to.

The CHAIRMAN:—It occurs to me now that after we have adjourned to-night until such time as the committee may be ready to report, other members may arrive in the meantime, and that it would be well to authorize those delegates to refer any papers they may have on the subject that we are to consider, to the Committee on Amendments and Bills, at its meeting to-morrow morning. Do I hear any motion to that effect?

Mr. HIRSCH of N. Y.:—I make a motion to that effect.

The motion was seconded and agreed to, and it was so ordered.

Mr. STETSON (Chairman of the Committee on Amendments and Bills):—It is the purpose of the committee to meet in room seven of this hotel, the headquarters of the Convention, at 9 o'clock to-morrow morning, and I will take this occasion to say that the committee will be pleased to have any gentleman who has offered or desires to offer any bill, amendment, proposition, or anything touching this business, to appear, and explain and consider it with us in friendly counsel at that time. If they will do that it may perhaps save a great deal of discussion here in the Convention.

Mr. WISE of N. Y.:—I have a motion to present; that is, that a committee of seven, to be called the Finance Committee, be appointed by the Chair. I would say, in explanation of the reason why I offer this resolution, that the N. Y. Board of Trade and Transportation have taken it upon themselves to place this Convention upon its feet, and they have done so. We think that the Convention is a very able body, strong enough to take care of itself, but it is proper and expedient, and the objects which called this Convention into life are of such importance that the proceedings and actions of this body should be preserved, circulated and made use of. To do this properly it will be necessary to have funds. Not a great amount is required. I suggest that the method to be adopted in raising these funds for the use of furthering the work of this Convention should be in the form of subscriptions. There should not be an assessment levied, it should be purely voluntary, and I hope that the members will all respond in a proper spirit. We need money in this work of preserving the records of this Convention and the promotion of the objects for which it was called. I press my motion, Mr. Chairman.

The motion was seconded and agreed to.

Mr. WISE :—I hope the Chair will not appoint me on the committee. As the mover of it I may be entitled to be placed upon it, but I prefer not to be.

Mr. JANNEY of Philadelphia moved that when the Convention adjourn it be to meet to-morrow at 1 o'clock P. M., in this room.

Upon putting the motion the Chair declared that he was in doubt. Thereupon a division was called for, and upon a rising vote the Secretary reported 17 ayes and 35 noes.

Mr. ANDERSON of Pittsburg then moved that when the Convention adjourn it be until 3 o'clock to-morrow afternoon, which motion was seconded.

A delegate moved to amend the motion by substituting 7 o'clock for 3 o'clock.

The amendment to the motion was disagreed to.

The question then recurred on the original motion, that when the Convention adjourn it be to meet at 3 o'clock to-morrow afternoon, which motion was agreed to.

The Chairman then announced the names of the following gentlemen as the Committee on Finance :

CHARLES A. GRINNELL of Boston.

ISIDOR STRAUS of New York.

H. S. MICHAELS of Rochester.

CHARLES H. GEORGE of Providence.

B. S. JANNEY of Philadelphia.

LOUIS KROHN of Cincinnati.

J. Q. ADAMS of Baltimore.

The CHAIRMAN :—I will now entertain a motion to adjourn.

Thereupon, on motion duly seconded, the Convention adjourned, at 9:15 P. M., to meet to-morrow at 3 o'clock P. M.

WASHINGTON, D. C., Jan'y 17, 1884.

The convention met pursuant to adjournment.

Mr. THOMAS E. BARKER, of Boston :—Mr. President, it is very apparent there will be considerable discussion, and that all parts of the country will wish to be heard. That will be impossible if too much time is taken up by any one delegate. I there-

fore move that in the deliberations of this session the time of debate be limited to ten minutes to each individual.

The CHARMAN:—Unless by consent of the Convention.

Mr. BARKER:—Unless by consent of the Convention.

The motion was seconded and agreed to.

The committee of the Convention, to which the various bills presented had been referred, here entered.

REPORT OF COMMITTEE ON AMENDMENTS AND BILLS.

Mr. JOHN STETSON, Chairman of the Committee:—I have the pleasure of making a report of progress. Your committee have given loyal and earnest attention to every instruction which you gave us yesterday, and we have progressed, we think, to a point where we can interest you in our work and aid you in reaching a conclusion upon the completion of our labors, which will be as soon as possible, but at any rate early this evening. Mr. Shaffer of the committee, who represents the Raleigh, N. C., Board of Trade and Cotton Exchange, has given us valuable assistance in the preparation of this partial report, and as he can read his own manuscript, I will take the liberty of asking him to present the report of the committee up to the present time.

Mr. A. W. SHAFFER, (Reading):—Report of the Committee on Amendments, to whom have been referred resolutions, bills and amendments including the following bills, namely:

Humphreys, Townsend, John J. Adams, Blumenstiel, Prescott, D. C. Robbins, Lowell, Ingalls, William L. Royall, Felix Campbell.

Your committee having given careful consideration to the various bills and amendments presented to them reports as follows:

In the opinion of your committee all of the said bills, with the exception of the three last named, are codified laws whose provisions are most amply and satisfactorily included in the bill adopted by the committee.

In regard to the plan governing the Royall bill, providing for a system of involuntary bankruptcy alone, your committee is of opinion that such a bill would not prove acceptable or meet the necessities of the interests of the country.

Your committee further reports that the Campbell bill is an Act repealing the law which repealed the Act of 1867, and reinstates the same with proper amendments. The advisability of reviving the late act is questionable, and it is deemed more practicable for the interests concerned to secure, if possible, the enactment of a new law which would be free from the odium attached to a law repealed under the circumstances governing the repeal of the Act of 1867.

Your committee are further of the opinion that a codified law is demanded by the necessities of the country to secure the requisite detail and uniformity of practice so desirable in a law, the provisions of which are to be adjudicated by so many courts, covering a country so diversified in its rules of practice and methods of procedure; and your committee is engaged in the consideration of the Senate Lowell Bill as the basis of a law to be reported by your committee at the close of its deliberations.

(Signed by the Committee).

The CHAIRMAN:—Gentlemen, you have heard the report of the progress of your committee. What is your pleasure in the premises?

Mr. A. SAKS, of Baltimore Clothiers' Association:—Mr. Chairman, I move that the report be received and the committee continue its labors.

The motion was seconded and agreed to.

Mr. WELCH, of Philadelphia:—I would like to ask if the committee cannot report to the Convention the precise progress they have made. If they have been considering the bill by sections, perhaps we can have their report with regard to the sections they have disposed of, and can then go on and consider so much.

The CHAIRMAN:—I am informed by the chairman of the committee that the committee have referred a large mass of the matter to a sub-committee, and have received a report from that sub-

committee; but that they have not progressed as yet to a point where they can make an intelligent report, as a whole, to this body. They therefore make this report, thinking it possible it may be your desire to proceed with the discussion upon a number of points, and if there be any particular element that desires this or that or the other theory of bankruptcy to be maintained, there will now be an opportunity for a hearing, and after this session the committee will proceed with the work before them.

Gentlemen, are you ready for the question, to receive the report and continue the committee, or do you desire to take up the report of the committee as to the bills they are adverse to?

The question upon the motion was called for and agreed to.

Mr. J. Q. ADAMS, of Baltimore:—Is the committee able to state at what time their report may be expected?

The CHAIRMAN:—I am informed by the chairman that they are unable to state the exact time, but that it would seem to be necessary to have an evening session at which the report might be made.

Mr. ADAMS:—Perhaps seven o'clock to-night might answer.

The CHAIRMAN:—I take it that if it were the pleasure of the convention to have an evening session at seven o'clock, or perhaps eight, the committee would probably be ready to report at that time.

Mr. STETSON, Chairman of the committee:—If the Convention will grant us until eight o'clock to-night I should be glad to have that time. We desire not to hasten our report and we have a number of proposals, amendments and suggestions which we have not been able to take up. Although we have passed through the entire bill and reviewed it with reference to proposals and amendments offered by quite a number of parties, we still have to re-review the same sections in behalf of some other amendments. It is a matter of considerable importance, and we desire to give the most friendly attention to every suggestion that is made to us. The time passes rapidly and I would like to feel that we will be allowed until eight o'clock. That will give the Convention a good long evening.

Mr. W. S. POWELL, of Baltimore:—In view of the statement made by the Chairman of the special committee I would move that this Convention adjourn to meet at eight o'clock to-night. I think that will cover the point. I am sure the gentlemen will stay with us if there is any discussion, and that will have to be deducted from the time they can give to their special work. So I think it is expedient to stop the discussion now and adjourn to meet at the hour named.

The CHAIRMAN:—Before putting the motion to adjourn I am requested to say that if there are any gentlemen present who have any other scheme or bill, the committee will be willing to receive it even at this late hour.

Mr. FARRELLY, of New York:—Mr. Chairman, I would suggest to you the propriety of calling on the Committee on Finance for a report. It is desirable that some action should be taken on financial matters before our final adjournment.

The CHAIRMAN:—The motion to adjourn is withdrawn for the present. The chair will recognize the Chairman of the Committee on Finance.

The Committee on Finance, through its chairman, presented the following report:

WASHINGTON, D. C., January 17, 1884.

Your committee, finding that there was no authority for the several delegates to pledge their associations for payment of any moneys, submit the following resolution:

Resolved, That in order to defray the current expenses of this Convention each delegate pay the sum of five dollars to the Committee on Expenditures.

CHARLES A. GRINNELL, of Boston.

ISIDOR STRAUS, of New York.

CHARLES H. GEORGE, of Providence.

B. S. JANNEY, of Philadelphia.

LOUIS KROHN, of Cincinnati.

J. Q. ADAMS, of Baltimore.

Mr. GRINNELL, Chairman of the Committee on Finance:—I am authorized to say that it was suggested that in case this sum was

not sufficient to defray the expense, that the amount be stated and be referred to the several delegations, to be presented to their associations at home when they get there. The committee did not feel that they were authorized to lay a heavy amount upon the associations, and from all that we could learn, there was no one that was authorized to subscribe any amount for any association.

Mr. WISE, of New York :—Mr. Chairman, I move that the report of the committee be received.

The motion was seconded and the chair called for remarks.

Mr. WISE :—I made the motion for the appointment of this Committee on Finance. I would state for the information of the Convention that all the expenses attending the call of this Convention and all the work done to prepare the country for the Convention have been paid by the New York Board of Trade and Transportation. As I stated last night in making the motion, it is necessary to follow up the work which may be accomplished in this Convention by placing in print the records of the Convention. For instance, a large number of amendments to the Lowell bill will be proposed and, probably, adopted. It will be necessary to print that work in full. It will be necessary to print other documents and letters connected with this Convention, to show what elements composed it. I think that at least the sum of fifteen hundred dollars will be necessary to do this work in the proper and thorough manner that its importance deserves. These records should go out all through the country. I think, considering all things, that that is a small sum, when we view the representation that composes this Convention and the importance of its work. I hope some plan may be devised whereby this sum, at least, if not more, will be raised. I will state that there is no claim made by the Board of Trade and Transportation of New York. Everything is paid for up to date, with the exception of the immediate expenses of this Convention. The proposition is not to pay for anything in the past. It is prospective in its nature.

The CHAIRMAN :—I would call your attention to the fact that the committee have referred in their resolution to a Committee on

Expenditures. We have no such committee. I think that that resolution should be modified by providing somebody to take charge of and disburse the money. I make that suggestion in order to save time.

Mr. GRINNELL :—The gentleman from New York, I think, can inform us as to who should receive the fund.

Mr. SAKS :—I move that the Board of Trade and Transportation of New York be entrusted with this fund, inasmuch as they have disbursed all the money so far.

Mr. GRINNELL :—I accept the amendment.

The CHAIRMAN :—The gentleman from Maryland (Mr. Saks) suggests that the Board of Trade and Transportation of New York be inserted in lieu of the Committee on Expenditures, and the Chairman of the Committee on Finance accepts the amendment. If there are no other amendments the resolution will be considered as amended so that the words "Committee on Expenditures" shall be changed to "Board of Trade and Transportation of New York."

Mr. H. G. CLARK of Nebraska :—Before retiring with the Committee on Amendments, I wish to say that the delegates from our Board of Trade were sent here without any expense to the Board of Trade, but I will guarantee that any moneys that are needed to carry on the work of this convention will be gladly appropriated.

Mr. GWATHMEY :—Instead of the Board of Trade and Transportation, I suggest that the resolution read, "to a person to be named by the Board of Trade and Transportation," so that we will know to whom to pay our money.

The CHAIRMAN :—Perhaps it should be the individual who is here representing the New York Board of Trade and Transportation.

Mr. GWATHMEY :—I move that his name be inserted.

Mr. HIRSCH :—I move to insert the name of Mr. A. B. Miller as Chairman of the delegation from that Board. Let us have the resolution amended in that way.

Mr. GRINNELL :—I will accept the amendment.

The report of the Committee on Finance, with its resolution thus amended, was then agreed to by the Convention.

The CHAIRMAN:—Will you pardon a suggestion from the Chair? When you adjourn you must leave the completion of your work, the presentation of your work to the Committees of Congress, and the publishing of your proceedings, if you so elect, to a committee, or to a number of gentlemen. When they have done that, they can make their estimate and tell what they need. Then if you authorize them, they can apply to the several Boards of Trade and Chambers of Commerce and Merchants' Exchanges here represented, for a pro rata contribution. Of course I do not desire to make any suggestion not proper for the Chair to make; but it occurs to me that you should determine to whom you will refer the completion of your work, and when you have done that you should authorize them to apply in the name of this Convention, for such money as may be needed, to the several bodies here represented.

MR. MICHAELS of Rochester:—I am glad the Chair has made that suggestion. It hits the nail on the head. There is not a gentleman here, in my opinion, who would not contribute any amount in order to see this work progress; but at the same time we are not empowered to do so. The committee suggested an amount in order to defray the immediate expenses. Any amount that may be wanted hereafter should be provided for by a pro rata assessment in aid of carrying on this great work. I think that suggestion ought to be carried out.

The CHAIRMAN:—Does the convention desire to take up the question as to who shall print its proceedings and who shall distribute its funds?

Mr. SAKS of Baltimore:—I trust the Chair will put his remarks in the shape of a motion, inasmuch as I think they cover the whole ground. I am satisfied that will meet with the approval of a large number of members.

The CHAIRMAN:—Will you put it in the form of a motion?

Mr. SAKS:—Yes, sir. To carry out the sense of the remarks you have made, I move that a committee be appointed for the

purpose, that they disburse the funds sent in, and make such assessment or solicit such contributions as may be necessary for the continuance of the work.

Mr. GRINNELL:—Before the question is put, let me make a suggestion. I think we had better leave the matter in the hands of the Committee of the Board of Trade and Transportation of New York, who have undertaken this work, who will know the cost of it, and who will carry it on judiciously. I would propose as an amendment that it be left to the Committee of the Board of Trade and Transportation of New York.

The CHAIRMAN:—Does the gentleman accept the amendment?

Mr. SAKS:—I do.

The CHAIRMAN:—The motion before the Convention is that this Convention refer the publication and distribution of its proceedings to the Committee of the Board of Trade and Transportation of New York, with authority upon behalf of this Convention to request from the several bodies here represented a pro rata contribution to the expenses, in addition to the sums now to be collected. Is the Convention ready for the question?

The question was called for and the motion was agreed to.

Mr. FARRELLY:—I move that the Secretary of our Convention, Col. Smith, be also included. He lives in New York and can speak authoritatively for the Convention, as he knows all that has been done. He will probably present the views of the convention better than anybody else.

The motion of Mr. Farrelly was seconded and agreed to.

The Secretary, Mr. GEORGE MOORE SMITH:—I presume that Mr. Farrelly has made this motion because I am not a member of the Board of Trade and Transportation.

Mr. FARRELLY:—That is one of the reasons. We know you to be a good worker.

Mr. HIRSCH:—I now move that the last two resolutions just passed be entered on the record as having been passed unanimously.

The motion of Mr. Hirsch was seconded and agreed to.

Mr. ALLEN of Massachusetts:—The convention has adopted a resolution reported by the Committee on Finance, and by that amended resolution I understand that Mr. Miller, of the New York Board of Trade and Transportation, is authorized to receive the contributions. Am I correct?

The CHAIRMAN:—You are.

Mr. ALLEN:—That being the case, I move that the Finance Committee be now discharged.

The motion of Mr. Allen was seconded and carried.

The CHAIRMAN:—If there are no objections, we will now take a recess of five minutes, for the purpose of enabling the members to pay their subscriptions.

There being no objection, a recess was taken for the purpose named.

The CHAIRMAN (after the Convention had reassembled):—What is your further pleasure before adjourning until evening?

Mr. MICHAELS of Rochester:—At the last convention we had here, when we undertook to pass upon this matter, the Judiciary Committee was invited to attend the meeting. Would it not be well if we invited those gentlemen to come here and listen to us? They were with us at the last convention and listened to us very attentively, and I presume the convention had a great deal of effect upon them. They went to the House and reported at that time in favor of a bill. I merely make this suggestion.

The CHAIRMAN:—Before entertaining a motion to adjourn, I will entertain the motion of Mr. Michaels if it is seconded.

The motion was amended so as to relate to the Committee on the Judiciary of both Houses of Congress, and was duly seconded.

Mr. D. M. HOUGH of Rochester:—My friend Mr. Michaels will remember that at that convention the Judiciary Committees were invited to come in after we had determined ourselves what course we should take; after we had agreed upon some special law—which at that time was the Lowell Bill. After that agreement was made, then a special committee was appointed by the con-

vention to meet the Judiciary Committee of the House and present that bill to them with the amendments which that convention had suggested. It seems to me that it would be the proper time to invite the Judiciary Committees after we had agreed ourselves upon some law to present to them.

Mr. WRIGHT, of St. Louis :—That being the case I would move that a committee of five be appointed (the names not to be given now, as they must be selected with great care, but to be reported this evening) to present the action of this Convention to the Judiciary Committees of the House and Senate, and I would suggest that the Chairman of this Convention be *ex-officio* chairman of that committee.

Mr. MICHAELS :—I will accept that as a substitute for my motion.

Mr. SAKS :—Before that question is put I desire to say that I think it nothing but courtesy to the committee who have undertaken the labor that they are now performing, that they should, with the Chairman, constitute the committee in question. I think the honor should be where the labor is; and while I perfectly agree with the gentleman from St. Louis that the Chairman of this Convention should be represented there, I do hope that the number will be increased so as to embrace all of our committee and that their labors will be thus recognized. That is the only manner in which we can repay them.

Mr. WRIGHT :—I will accept the amendment.

The CHAIRMAN :—If there are no objections the work of this Convention will be presented to the Senate and House Judiciary Committees by the Bill Committee of this Convention, together with the Chairman of this Convention as *ex-officio* chairman of that body.

No objection being made, it was so ordered.

Mr. WRIGHT, of St. Louis :—I send to the Secretary a resolution which I offer at this time because I do not think there will be any opportunity to consider it after hearing the report of the committee. It is a very important resolution.

The resolution was read by the secretary and agreed to as follows :

Resolved, That each Board of Trade or commercial body represented in this Convention request the Senators and Representatives in Congress from their respective States to urge and support in Congress the recommendations of this Convention by the passage of a National Bankrupt Law.

At this point, 4.30 P. M., the Convention adjourned until 8 o'clock P. M.

WASHINGTON, D. C., *January 17th*, 1884.

The Convention reassembled according to adjournment.

The CHAIRMAN :—Gentlemen of the Convention, we will now receive the report of the Committee on Amendments and Bills appointed last night to report to us the result of their deliberations upon the several bills that have been referred to them. I have the pleasure of announcing that committee, of which Mr. Stetson, of Massachusetts, is Chairman.

Mr. STETSON, Chairman of the Committee :—I am instructed by the committee to make the following report :

Your committee as the result of its labors and deliberations recommend the adoption of the bill as amended and presented herewith, and also present for the consideration of the Convention the following resolution :

Resolved, That the draft of a bankrupt act prepared by Judge Lowell, amended by the Judiciary Committee of the United States Senate, and as further amended by this Convention, be and the same is hereby endorsed and recommended by this Convention as the proper draft for enactment by Congress.

JOHN STETSON, of Massachusetts, Chairman.

JOHN C. DORE, of Chicago.

GEORGE H. ANDERSON, of Pittsburg.

A. W. SHAFFER, of North Carolina.

WINFIELD S. DUNAN, of Baltimore.

H. G. CLARK, of Omaha.

MORRIS S. WISE, of New York.

HENRY B. METCALF, of Pawtucket, R. I.

Mr. Wise of the committee will kindly read the manuscript of the amendments in detail on behalf of the committee.

Mr. WISE:—I would suggest that the Convention supply themselves with copies of the Senate edition of the bill.

The CHAIRMAN:—Gentlemen, you will find upon the table of bankruptcy literature a paper headed The United States Senate Edition of the Lowell Bill. If you will kindly prepare yourselves each with a copy it will facilitate the work of following the amendments of the committee.

It would be well for you to first determine whether you will consider the report of the committee by sections, or whether you will hear it read clear through and then consider it by sections. You will remember that you have limited yourselves to ten minutes, unless given more time by permission of the Convention. It is now for you to determine the manner in which you will receive the report of the committee.

Mr. GRINNELL:—I move that the report first be read as a whole and afterwards be considered by sections.

The motion of Mr. Grinnell was duly seconded and agreed to.

Mr. Morris S. Wise then read the proposed amendments to the Lowell bill as reported by the committee.

The CHAIRMAN:—Under the rule that you have adopted you have progressed to the extent of hearing the amendments in order as a whole. They will now be taken up individually. Mr. Wise will please read the first amendment proposed by the committee.

Mr. Wise read the following amendment:

Sec. 1, line 10.—Insert the words “person shall include women.”

The CHAIRMAN:—Gentlemen, what is your pleasure with regard to this amendment?

Mr. HENDERSON:—I am opposed to the amendment, Mr. Chairman, for the reason that I believe every court construes “person” to include women. A woman is a person, and the term “person” covers women. The term “person” is used in its broadest sense.

Mr. WISE:—This amendment is proposed to be inserted as a definition. The objection was raised by gentlemen to the committee that in their States there might be trouble with married women. This amendment is offered to obviate any difficulty in making married women, irrespective of any State law, subject to bankruptcy if they trade in their own name.

The CHAIRMAN:—Does the gentleman from Iowa object to the amendment with the explanation on behalf of the committee?

Mr. HENDERSON:—I have no special desire about it Mr. Chairman. I have given my views. I think the point is already covered by the section.

The CHAIRMAN:—If there are no objections I will declare the amendment adopted without a formal vote. It will of course be apparent to the Convention that it would take too long a time to vote formally upon these amendments. Whenever there is objection the Chair will put the question to a test by calling for the votes of the delegates. I hear no objections to the amendment under consideration, and it is therefore adopted.

Mr. WISE read the following amendment:

SEC. 3, line 9. Strike out the word "assignee," and insert in lieu thereof "trustee."

Mr. WISE:—The word "assignee" is obviously a misprint in the bill.

The CHAIRMAN:—Are there any objections to this amendment? The Chair hears none, and therefore declares it adopted.

Mr. DRUCKER, of Cincinnati:—In order that we may all understand what we are doing, it appears to me that it would now be proper to read the sections, in each case as they will appear when amended, and not go over the amendments and merely read them again as reported.

The CHAIRMAN:—Whenever an amendment is not understood by causal examination, of course it will be the privilege of any member to ask for the reading of the entire section. Do you ask for the reading of the entire section to which the amendment under consideration relates?

Mr. DRUCKER:—I do not know that I do in this particular case; but I am afraid if we go over them in this manner they may not be understood.

The CHAIRMAN:—If at any point you do not understand an amendment, we will have the whole section read.

Mr WISE read the following amendment:

SEC. 9.—Strike out the whole of said section and insert in lieu thereof the following substitute:

“The several district and circuit courts shall each have concurrently with the courts of the State, jurisdiction of all suits at law or in equity, as distinguished from proceedings in bankruptcy brought by a trustee in bankruptcy in whatever district appointed, against any person for any cause of action or for the recovery of any debt, damages or property vested in or claimed by him as such trustee, or by any person claiming an adverse interest against such trustee.”

The CHAIRMAN:—Are there any remarks upon the proposed amendment by substitution? If there are no objections to the adoption of the amendment I will declare it adopted. The Chair hears no objections and the amendment is adopted.

Mr. WISE read the following amendment:

SEC. 12, line 10.—After the word “territories” add “for a period of three years prior to such appointment.”

The amendment was adopted without objection.

Mr. WISE read the following amendment:

SEC. 12.—An unformulated amendment in effect as follows: “States entitled to six or more members of Congress shall not have exceeding one-half the number of commissioners as members of Congress.”

The amendment was adopted without objection.

Mr WISE read the following amendment:

SEC. 14, line 7.—After the word “implication” insert as a paragraph the following:

“All references of litigated questions, in law or equity, arising in the circuit or district courts under any of the provisions of

this Act, shall be made, as of course, to the Commissioner having charge of the case, except for good cause shown in open court to the satisfaction of the judge."

The amendment was adopted without objection.

Mr. WISE read the following amendment :

SEC. 19, line 7.—Strike out the word "district," and insert in lieu thereof, "circuit."

Mr. W. R. COX, of North Carolina:—Will the committee please inform me what is the object of the change?

Mr. STETSON:—The object is to have the supervisors required to obtain the approval of the circuit judge and not of the district judge. The circuit judge is an officer of the entire circuit.

Mr. HENDERSON:—I presume that the committee has discussed this question in great detail, and that it is presumptuous to offer any objections; but I can see great objections to this amendment. For instance, the circuit in which I live is a vast empire in size. The circuit judge has very little time to give to any district. Take the northern district of Iowa in which I live. The circuit judge is never able to put his foot in it, and knows nothing about the duties of that district. It is so in most of the districts of his circuit. The district judge knows the duties and knows the supervisors. The district court is the bankruptcy court proper. The district judge is the man who is familiar with all the duties of the supervisors and has cognizance of them. If we assume that the district judge is honest, and I presume we are entitled to that presumption in considering the merits of the proposed legislation, it seems to me that as he is the man who has a comprehensive knowledge of this subject that he is the best one to make the recommendation. I am of this opinion, saying nothing of the inconvenience of getting at the circuit judge, who would have to be corresponded with most of the time on the subject, and could not personally receive information in regard to the measure. I think that the district judge, as Judge Lowell has it, is the proper person.

Mr. STETSON:—I feel authorized to say that the committee do not desire to press this amendment. They do not regard it as a

matter of special importance, particularly after the suggestion we have had. I will assume for them to abandon the amendment, or make it "either circuit or district judge."

Mr. HENDERSON :—I will move to add after the words "district judge" the words "of the district of the supervisors" or "in the district of the supervisor." There might be some doubt there, although the construction would be "the district judge in the district of the supervisor." However, if it is put in in that way there will be a doubt about the matter. As it is, we have a clear statement. That would be the construction in any event. It would be the district in which the party was.

The CHAIRMAN :—Does the chairman of the committee concur in the suggestion of the gentleman?

Mr. STETSON :—I presume I do. I wish to understand it first. The supervisor you have in mind represents the judicial circuit?

Mr. HENDERSON :—Yes, sir.

Mr. STETSON :—I do not understand how you would determine which judge it was to be.

Mr. HENDERSON :—Put it "district or circuit judge."

Mr. THOMAS G. BROWN of New York :—That would bring about a conflict of authority, evidently. If you say "district or circuit judge" it might in some cases cause a conflict between the district and circuit judge. I do not think that ought to pass.

The CHAIRMAN :—You might say, if you will pardon a suggestion from the Chair, "the district judge or the circuit judge when present."

Mr. FRIEDMAN of Philadelphia :—Why not add the words, "the district judge of the district in which the bankrupt resides"?

Mr. COX of North Carolina :—Or, "in which the case is pending."

Mr. FRIEDMAN :—Yes. That would make it very clear, I think.

The CHAIRMAN :—Does the chairman of the committee accept the amendment as suggested?

Mr. STETSON :—I will agree to it. It is not material.

The CHAIRMAN :—Gentlemen of the Convention, the proposed amendment is to insert in Section 19, line 7, after the words "district judge" the words "of the district in which the proceedings were pending."

The amendment was adopted without objection.

Mr. WISE read the following amendment :

SEC. 20, line 1.—Strike out the comma after the word "debtor."

The amendment was adopted without objection.

Mr. WISE read the following amendment :

SEC. 26, line 19.—After the word "property" insert the words "by gift or otherwise."

The amendment was adopted without objection.

Mr. WISE read the following amendment :

SEC. 26, line 27.—Add "But any person whose property may be seized as aforesaid may procure the release of the same by giving bonds to be approved by the judge."

Mr. HENDERSON :—There ought to be some statement as to what the penalty of the bond shall be.

The CHAIRMAN :—The only provision is, that it shall be approved by the judge. Is it desired to make the amendment any more definite as to the terms of the bond? Will the gentleman read the proposed amendment again for the consideration of the convention?

The amendment was again read.

Mr. COX of North Carolina :—The difficulty I see there is, that different constructions might be put by the judges on the bond. If it could be made more definite it would be well.

Mr. FRIEDMAN :—I do not see how we can state the amount definitely.

Mr. COX :—What are the conditions of the bond with regard to the property? He shall give a bond as to what? Different judges might construe differently in different districts.

The CHAIRMAN :—It occurs to the Chair that the words might be inserted “give a bond for the safe keeping of his property and not to remove it from the district, and to obey all orders of the court.”

Mr. HENDERSON :—Was not the purpose of the amendment to let him take and use the property and to have the bond stand in the place of the property? If the idea was to let him carry on his business your suggestion will hardly meet the views of the committee. If the intention is to let him give a bond, it should be equivalent in amount to the cash value of the property. The question that occurred to me was, what shall fix the value of it? Are you going to take the market value, or an appraised value of fifty or sixty per cent. of the value? On appraisements we usually get about sixty per cent. if we have a faithful assignee. I have a great deal of bankruptcy business and we usually get about fifty per cent. in Iowa. We do better than a great many other States.

The CHAIRMAN :—It occurred to me that if the bond was conditioned not to move the property away and to return the property if he was adjudged to turn it over to the marshal, and as in case of a trader you would not have all of the property, of course the liability upon the bond would be to respond for its value.

Mr. BROWN of New York :—I should say it would cover the whole ground by saying “for the faithful performance of his duties.”

The CHAIRMAN :—But the question recurs upon what are a bankrupt's duties prior to the time that the process in advance of the regular process has been issued against him. You will understand, of course, that this is an amendment to prevent the hardship that might result to a man against whom proceedings had been begun and whose property had been taken when he was not properly adjudged or could not subsequent to that time be adjudged a bankrupt.

Mr. FRIEDMAN :—It seems to me to be the intention of this amendment to put the bankrupt in possession of his property for

the purpose of handling it. If I am wrong I desire to be corrected by the committee. If that is the case, I think to make the bond double the value of the property would cover the case and that would be probably all the conditions necessary. If it is the intention of this amendment to put the bankrupt in possession of his property for the purpose of handling it, he can certainly not return it in the way and manner in which he received it.

The CHAIRMAN :—The position of the amendment certainly indicates what the committee intended. Remember, this is a section providing that where a petition has been filed upon certain conditions the judge shall issue immediately a warrant of seizure. But it readily occurs to you that a warrant of seizure might be ordered against a man who had not committed an act of bankruptcy and who would not in the end be adjudged a bankrupt; and his business might be entirely broken up. The committee in their wisdom propose that a man who is attacked in that way shall have an opportunity to preserve his business and his property between the time that the proceedings are begun and the adjudication is had; and that by giving a bond so that the creditors shall not suffer he shall be permitted to continue his business or retain his property during that time.

Mr. FRIEDMAN :—I press my amendment to make the bond double the amount of the property.

The CHAIRMAN :—The particular point under discussion was the condition of the bond rather than the amount of the bond. If you will pardon me we will first determine the conditions of the bond and then I shall be glad to hear you upon the amount of the bond.

Mr. DRUCKER :—The only way I can see out of that is that the condition of the bond should be that he will return to the court the equivalent of what he receives and, of course, if he takes the property and disposes of it, the equivalent could only be in money. That is what the condition of the bond should be, according to my view—that he will, whenever the court requires it, return to the court the equivalent in money of what the court has allowed him to take; just the same as it is in any other bond.

The CHAIRMAN:—The proceeding is analogous to the proceeding with which we are all familiar in cases of replevin. Where goods are replevined, sometimes a hardship might be worked if the party could not, by giving a bond, retain the property. I take it it is intended to have a proceeding exactly analogous to that.

Mr. WISE:—I have this suggestion to make, Mr. Chairman, that the amendment read as follows:

“But any person whose property may be seized as aforesaid may procure the release of the same by giving a bond conditioned for indemnifying the creditors against sustaining any loss or damage by reason of allowing the aforesaid person to remain in possession and control of said property so seized as aforesaid.”

The CHAIRMAN:—Does that meet with the views of the gentleman from North Carolina?

Mr. COX:—That is about the idea.

Mr. BROWN:—Who is to decide on that?

The CHAIRMAN:—The Court.

Mr. BROWN:—The amendment does not state that.

Mr. WISE:—It is to be approved by the judge, of course.

The CHAIRMAN:—I will now hear Mr. Friedman upon the subject of the amount of the bond if he desires to be heard.

Mr. FRIEDMAN:—I do not think it is necessary under the changed condition of the amendment.

The amendment was then adopted without objection.

Mr. WISE read the following amendment:

SEC. 29, line 1.—After the word “shall” add the words “be public and.”

Mr. HENDERSON:—Is there anything in the Act that requires it to be private?

Mr. WISE:—No; but I would state for the information of the Convention that public examinations are a great feature of the last British Act, and a great many merchants and some organizations are under the impression that by having the word “pub-

lic" impressed upon the mind of the intending bankrupt there may be something in it to deter him from pursuing the downward path. I do not think there is much virtue in it. All examinations certainly are public.

The amendment was adopted without objection.

Mr. WISE read the following amendment:

SEC. 31, line 21:—After the word "oath" insert the words "or affirmation."

Mr. ROYALL, of Richmond:—I suppose if objections are to be made to the section at all this is a proper time and place?

The CHAIRMAN:—You are right. Please proceed.

Mr. ROYALL:—I propose to object to the entire section. I stated yesterday evening in the convention that I should vote against the Lowell Bill. My information respecting the Lowell Bill was derived from a bill sent to me by Judge Lowell himself, which I supposed to be the bill we were going to act upon. I had not then seen the paper which I now hold in my hand and which has been made the basis of our action here. That paper is altogether a different bill from the bill which Judge Lowell sent to me. There is a great deal in this bill which was not in Judge Lowell's bill, and of which I most cordially approve. I think I can say I approve of almost all the bill and all the amendments that have been proposed, with the single exception of this section relating to voluntary bankruptcy and some other sections which I will note as we go along. Were this section out of the bill I should vote for the bill as an entirety. With this section in the bill I cannot vote either for the section or the bill itself. My reasons for objecting to this section in this bill are radical in their nature. They are based upon principle. I will not weary the convention in going over them. It is evident to my mind that the sentiment of the convention is largely in favor of the adoption of this provision. All I desire to say is that I shall vote against the section, and shall vote against the bill because it contains this section.

The CHAIRMAN:—As there is an objection to the amendment it will be necessary to take a vote on this particular question.

Mr ROYALL:—Before the section is adopted I wish to cast my vote against the entire section. In order to bring the matter properly before the convention I will move to strike out Sections 31 and 32.

A DELEGATE:—Out of courtesy I will second the motion, although I shall not vote for it.

The CHAIRMAN:—The sections referred to are with regard to the question of our having voluntary bankruptcy. Considering that fact, do you desire to have the sections read?

SEVERAL DELEGATES:—Yes.

Mr. WISE read the sections, with the proposed amendments, as follows:

VOLUNTARY BANKRUPTCY.

SEC. 31. That any person residing within the jurisdiction of the United States, owing debts provable under this Act exceeding the amount of *five hundred* dollars, may apply, by petition, to the district court of the judicial district in which such debtor has resided or carried on business for the six months next preceding the time of filing such petition, or for the longest period during such six months, setting forth his place of residence and of business, his indebtedness to said amount, his willingness to surrender all his estate and effects for the benefit of his creditors, and his desire to obtain a discharge under this Act.

He shall annex to, or file with, his petition a schedule containing a full and true statement of all his debts and liabilities, exhibiting, as far as possible the name and residence of each creditor, and if unknown, the fact to be so stated; the nature, amount, and consideration of each debt and liability, and where contracted, and of any mortgage, pledge, lien, charge, collateral, or other security given for the payment of the same.

He shall, in like manner, annex or file an inventory containing an accurate statement and description of all his estate assignable under this Act, and of the cash value thereof, and of all incumbrances thereon, and of all which he claims as exempt.

The schedule and inventory shall be verified by the oath, or affirmation of the petitioner.

SEC. 32. That the filing of such a petition as last aforesaid shall be an act of bankruptcy, and shall be prima-facie evidence of the petitioner's indebtedness to the requisite amount, and of his inability to pay; and upon the filing thereof, the clerk of the court, or one of the commissioners, shall under the directions of the judge, special or general, adjudge such petitioner to be a bankrupt, designate a commissioner to have charge of the cause,

and appoint a time and place for the first general meeting of the creditors of said bankrupt for the proof of debts and the choice of a trustee or trustees before the judge or before said commissioner, and give notice of such adjudication and meeting, and of the purposes thereof, by publication in one or more newspapers to be designated by the court, having regard to the circumstances of the case, and by mail to all known creditors of the petitioner; and the notice to creditors shall state the facts aforesaid, and the names and residences of the creditors, and amounts due them, so far as known. Said meeting shall be held not less than *ten* nor more than *sixty* days after adjudication.

If a bankrupt dies after adjudication, the proceedings may go forward as if he had lived.

Mr. DARBY, of Baltimore:—To-day, in conversation with one of the representatives from Maryland, he stated that it would have been wise if we had had two conventions, one representing the debtor class and the other the creditor class. If two conventions could be harmonized upon what was before them both I rather think that they would meet with much more success. I hope this motion will not be carried. If we strike out these sections we will raise serious objections against the passage of the bill. We will really put weapons in the hands of the people to destroy it in the House of Representatives where there will be the greatest opposition. We must not be one-sided. We cannot have class legislation.

The CHAIRMAN:—Does Mr. Royall desire to be heard before the question is put?

Mr. ROYALL:—No, sir.

The question was put on motion of Mr. Royall to strike out sections 31 and 32 and was lost, Mr. Royall's vote being the only one in the affirmative.

The amendment of the committee was then adopted.

Mr. C. H. GEORGE, of Rhode Island:—I would suggest a small point of amendment. It is in the 10th line of section 31, a comma after the word "with." I would suggest that that comma change its position.

The amendment was adopted without objection.

Mr. GEORGE:—In line 11, section 32, where it reads "one or more newspapers," I would move to substitute "not exceeding

three." Frequent advertising often constitutes an element of expense.

The CHAIRMAN :—Does the chairman of the committee adopt the suggestion ?

Mr. HENDERSON, of Iowa :—I move to amend the amendment by substituting the words " not exceeding two."

The amendment to the amendment was accepted.

The amendment was accepted by the chairman of the committee, and adopted by the Convention.

Mr. WISE then read the next amendment, as follows :

SEC. 33. Involuntary bankruptcy. Strike out the words " any person " in line 1, and limit involuntary bankruptcy to traders and corporations, as per sections 1 and 93, and define more precisely and fully what persons are not traders, and thus not subject to this section.

The CHAIRMAN :—Will the Convention accept the amendment as designated by description rather than in language ?

Mr. ROYALL, of Virginia :—Inasmuch as I shall vote against the bill in its entirety I do not know that it will be in order for me to suggest an amendment, but it seems to me that that amendment will nullify the whole law. The provision of the constitution which gives power to Congress to legislate upon bankruptcy matters, is simply in this language : " That Congress shall have power to pass uniform laws on the subject of bankruptcy." If you make a law applicable to one set of men and not to another, is that a uniform law ? You may say a trader will become a bankrupt by doing certain acts, while a farmer will not become a bankrupt by doing the same acts. It seems to me idle in us to recommend a law that the courts would at once strike down.

Mr. WISE :—Allow me to explain. If a farmer turns trader, he becomes subject to all the pains and penalties of this bill. It has been considered wise and expedient by the committee not to attempt to drag agricultural interests into involuntary bankruptcy, because this is to a great extent a bill for the commercial classes, for transactions of traders. We think uniformity is preserved, with that explanation.

Mr. ROYALL :—If a farmer should make a deed that was fraudulent, or make a preference, could a creditor proceed against him by involuntary proceedings?

Mr. HENDERSON :—He does not come within the provisions of the bankrupt act.

Mr. ROYALL :—If a farmer makes a preference can you take proceedings against him? If not, it occurs to me that this is a fatal objection to the bill.

Mr. FARRELLY, of N. Y.:—I cannot understand how it is possible to construe any person as not being a trader. A doctor is a trader. He trades his money for groceries. I fully agree with my friend that it would not be uniform. A farmer is a trader when he brings his potatoes and butter to market and trades them for goods. I think we do away in a great measure with the benefit of uniformity by this amendment, and I hope, so far as it limits traders to those who shall only buy certain things, as merchandise, it will not be insisted upon.

Mr. HIRSCH, of N. Y.:—It seems to me that a farmer is not a trader, even if he buys goods for his own consumption, and even if he sells his produce. He must sell the thing he has bought in order to be a trader.

Mr. FRIEDMAN, of Penn.:—I wish simply to call the attention of the Convention to this: If the amendment of the gentleman from New York is adopted we shall certainly have to turn back and amend Section 1, which defines the word "traders," and excludes farmers very definitely, whom the gentleman from New York now wants to include.

Mr. ROYALL :—I suggest that the committee makes a trader an involuntary bankrupt if he makes a preference. If the wholesale merchant commits an act of bankruptcy then let him be put in bankruptcy. But, as I understand the amendment, if a farmer were to do that same thing, he could not proceed against him. I want to know if that is a uniform law which would allow a creditor to pursue a trader in one way, and not allow him to pursue a farmer in the same way for doing the same thing. Clearly not.

Mr. FARRELLY :—I do consider that the point I took is fully covered by Section 1, because farmers buy and sell lands, and I consider that they are included and covered by that section when they buy and sell goods as they do.

Mr. DORE, of Chicago :—I understand that the bill is an attempt to define what a trader is. It does not assume to be exactly what Webster or Worcester says, but it has to conform to the definition in this bill. It is competent to say what “traders” shall cover, that is, to limit its meaning, and that is just what is done.

Mr. STETSON, of Boston :—Mr. Dore, as I was confident he would, has anticipated what I was going to say. The committee thinks this one of the most important provisions of the bill. Referring back to Section 1 we find that the word “traders shall include all merchants, all who make it their business or a part of their business to buy or sell lands, goods, chattels, bills, bonds, notes, stocks, or shares, manufacturers, warehousemen, bankers, brokers, builders, etc., etc.; but shall not include persons who buy goods and merchandise for sale only to their tenants,” just as they do in some of the Southern States. “But shall not include persons who buy goods and merchandise for sale only to their tenants, employes, and laborers, nor who buy to sell again any goods or chattels from such tenants, employes and laborers, nor mechanics of any kind who habitually labor at their trade, nor farmers who, having no place of business in any village, town or city, buy and sell agricultural products, or buy live stock with the view of fattening them for sale, unless such persons so excluded be otherwise traders within the meaning of this Act.” In order that there be no misunderstanding I wish to call the attention of the Convention to the intent of the committee and what they believe the bill will accomplish. If you disagree with us, you will vote the amendment down. It is the intention to make this broad distinction and do this especial favor and grant these unusual rights and privileges to the agriculturist, the wage laborer, the mechanic, all men who are not traders or interested in mercantile pursuits—to include in the name of “traders” all men who buy merchandise on credit and sell it for

cash and should return it to their creditors. It is intended to give all farmers and mechanics the privilege of going into voluntary bankruptcy and availing themselves of its benefits, but it is intended that their creditors shall not have the power to force them into bankruptcy. It is a broad movement and a great advance on any legislation regarding bankruptcy which this country has seen. It is a matter to which some of us have given a great deal of attention, and about which we have made very broad and general inquiry and conversation, and received what we believed to be sufficient information and advice to warrant it. I think it will do much to remove the opposition to the passage of such a bill in the agricultural districts of the country, and it is right and it is proper.

Mr. WRIGHT, of Pennsylvania :—It seems to me that this bill will take out of the scope and exclude a great many people who are neither agriculturists, farmers or mechanics. In many of our large mining centres the proprietors of mines buy merchandise at wholesale and sell to their employes at retail. Under the provisions of this Act those men would be subject to the involuntary part of the bill, and I do not think that it would meet with the approval of a large class of the community. I am opposed to that.

The CHAIRMAN :—Do you understand that we are voting upon the definition in the 1st section, or the amendment as proposed to Section 33 ?

Mr. WRIGHT :—I understand we are voting upon the amendment to section 33, but in the course of the discussion the definition of the word "trader" in section 1 has been dragged in and has formed the bulk of the discussion. I am, therefore, speaking to section 1 on the amendment to section 33. I think the gentleman who proposed this must be ignorant of the state of affairs in some of our large manufacturing centres in the north, or else it is the deliberate purpose to exclude from the involuntary clause all that large class of people of whom we certainly have a great many in Pennsylvania. This class includes some of our largest merchants in the interior of Pennsylvania. They buy goods in New York, Philadelphia and Baltimore, and sell them

to their employes, some of them to the extent of \$400,000 or \$500,000 annually ; and as I understand the definition of the word "trader," those men would come under that definition.

The CHAIRMAN :—We will first consider the amendment to Section 33, and then, if it be desired, we will return and consider the definition in Section 1.

Mr. PEASE, of New York (to Mr. Wright) :—Do the merchants you speak of confine their trade to employes ?

Mr. WRIGHT :—I have heard of cases where their whole custom is confined to their employes.

Mr. PEASE :—I have never seen one of those merchants who would not sell to anybody who had the money, and I think they are general traders in every case.

Mr. HENDERSON, of Iowa :—I want that proposed amendment to the first line of Section 33 read again.

Mr. WISE, reading :—Strike out the words "any person" in line 1 and insert in lieu thereof "any traders and corporations."

Mr. HENDERSON :—I am not in favor of it. We are dealing with technicalities when we put in specific terms. General words are safer, and leave something for the courts to do in construing them. When we begin to limit and specify we are getting on dangerous ground, unless we go far enough and make it very comprehensive. My view would be that you had better leave in the words "any person."

Mr. FRIEDMAN, of Pennsylvania :—I am from Pennsylvania myself and desire to protect the merchants of that State as much as we can. I would simply call the gentleman's attention to the fact that the word "corporations" answers the purposes which are referred to by the gentleman. The owners of those large stores in Pennsylvania that he mentions are generally corporations.

Mr. WRIGHT :—My remarks do not necessarily apply to corporations ; it may be firms or individuals.

Mr. HENDERSON :—In reply to my friend from Pennsylvania I think that this section covers the case he speaks of, and I think

the federal courts, would so hold. The first line says "any person," and then it says in line 9 "or who, being a trader." That brings it within the scope. My own judgment is that the courts would hold that they are traders if they make a profit, or else they would only be trustees for their employes.

("Question, question.")

The amendment was adopted.

Mr. Wise then read the next amendment as follows:

After the word "property" in line 6, insert the words "by gift or delivery."

Mr. HENDERSON, of Iowa:—I think it was the purpose of the committee doubtless to make that strong by adding those words, to hit at that class who fraudulently give away their property. But it strikes me that it impairs the integrity of the section as it now stands. The section now reads "or makes a fraudulent transfer of his property." That is broad and sweeping. But if you say "by gift or delivery" then you limit it to fraudulent purposes by gift or delivery. That is not what is wanted. We want to hit every fraudulent transaction. That is my idea. I think it was the intention of the committee probably to report that as it is, "or make a fraudulent transfer of his property;" or to put in another "or," so as to read "or dispose of his property by gift or delivery." On that I am ready to vote. I want to hit at every fraudulent transaction, and also to hit at every fraudulent gift, every gift made by a debtor to his friends in contemplation of bankruptcy.

Mr. STETSON, of Boston:—I think that we intended to do what you mean, Mr. Henderson.

The committee accepted Mr. Henderson's amendment, and it was read by Mr. Wise as amended, as follows:

After the word "property" in line 6, insert the words "or by gift or otherwise."

Mr. HENDERSON:—I want that part of the sentence "or makes a fraudulent transfer of his property" to stand just as it is. That hits a great many. Then if you want to hit any special class,

insert a special clause, "or also by gift," or some such term as that.

Mr. DRUCKER, of Cincinnati:—Insert "or disposes of his property otherwise" after the words "transfer of his property."

Mr. WISE:—After the word "property" add "or disposes of his property by gift."

The CHAIRMAN (to Mr. Henderson):—Does that meet your approval?

Mr. HENDERSON:—I would be satisfied by putting in "or disposes of his property by gift."

Mr. DARBY, of Baltimore:—I think we cannot make any improvement on the original. If you will read the following clause—"or conceals or removes the same to avoid process"—that covers gifts or delivery of property in any shape or form. I think the amendment is unnecessary and uncalled for.

Mr. FRIEDMAN:—I would approve the word "gift" to be put in. That is explicit, much more so than "removes;" although "removes" may cover the same thing.

Mr. HIRSCH, of New York:—It seems to me, Mr. President, that if the property be a house, he can neither remove it nor conceal it from his creditors. (Laughter.)

Mr. Wise read the amendment as amended as follows:

Commencing at line 5: "or makes a fraudulent transfer of his property; or disposes of the same by gift; or conceals or removes the same to avoid process."

Mr. MILLHIZER, of Richmond, Va.:—That does not cover it at all. You wish to include the idea of the disposition of his property by gift in order to commit a fraud. A man can be worth a million dollars surplus and dispose of it by gift; that would constitute an act of bankruptcy, as it stands.

A delegate:—That point is well taken.

Mr. CHASE, of Rhode Island:—It seems to me that the original amendment proposed by the committee as modified will correct all this trouble: "or makes a fraudulent transfer of his property by gift or otherwise." That covers the ground of fraudulent

gift. But the proposition of the gentleman from Iowa would make a mere gift an act of bankruptcy.

Mr. HENDERSON :—I would answer my friend from Virginia by saying that the point would be exceedingly well taken except for three little words which Judge Lowell inserted here—"with like intent." It seems to me the intent must cover the idea of perpetrating a fraud upon creditors. It is easily inserted in the clause here that the gentleman has drawn so as to avoid all confusion. "Or dispose of his property by gift with intent to defraud." That will dispose of the question.

The CHAIRMAN :—The Chairman of the committee will please add those words unless objection is made. The amendment will be read again as further amended.

Mr. Wise again read the amendment as further amended, as follows :

"Or makes a fraudulent transfer of his property ; or disposes of the same by gift with intent to defraud ; or conceals or removes the same to avoid process."

The amendment as thus amended was then adopted by the Convention.

Mr. Wise read the next amendment as follows :

Strike out lines 16 to 23 in Section 33, relating to dealings in futures, and transfer the same to Section 82, (Discharge of Bankrupt,) making such dealings under limitations there stated valid objection to the Bankrupt's Discharge instead of an Act of Bankruptcy.

The amendment was adopted.

Mr. Wise read the next amendment as follows :

Line 28, strike out the words "two hundred and fifty dollars," and insert in lieu thereof the words "five hundred dollars."

The amendment was adopted.

Mr. Wise read the next amendment as follows :

Require also that the bankrupt's total indebtedness shall exceed the amount of one thousand dollars instead of five hundred dollars.

Mr. STETSON :—You will find a reference to it by reading the first line of Section 33. “That any person residing and owing debts as aforesaid.” “Aforesaid” refers back to Section 31, where the amount is five hundred dollars. That is the only way you find it.

Mr. CURTIS, of Rochester, N. Y. :—Where do you propose to insert that?

Mr. WISE :—In line 1, Section 33, strike out the words “as aforesaid,” and insert “owing debts to the amount of one thousand dollars.”

Mr. HENDERSON :—This is, I take it, to prevent any one being forced into bankruptcy who does not owe as much as a thousand dollars.

Mr. STETSON :—That was the object.

The amendment was adopted.

Mr. Wise read the next amendment of the committee as follows :

Section 35.—Strike out all provisions requiring creditors to give bonds, and also the sentence beginning on line 1 and ending with the word “sureties” on line 23.

Mr. COX, of North Carolina :—What is the object of the bond?

Mr. WISE :—In cases of involuntary bankruptcy the element of time is often a very important one, in order to enable creditors to secure their rights. And oftentimes debtors procure their friends to initiate involuntary proceedings for them.

Mr. HENDERSON :—We are making law pretty fast here.

The CHAIRMAN :—I hope we are.

Mr. HENDERSON :—Yes, but it will be gone over again, undoubtedly, by the committee of the House, and others, so that we are not running such great risk. It strikes me, however, as a member of the Convention, that that amendment is of doubtful propriety. It is true that it is often very convenient to be ready to act promptly, and I have had great difficulty frequently in

giving bonds. But what are you to do, Mr. Chairman, where a merchant is a thousand miles from home in Minnesota or Iowa, and he is moved upon by a creditor from New York, and his remedy is to go from those States to New York for his damages? It would be pretty expensive business. I think you will hit this bill a pretty severe blow in the face if you take away that remedy. The bankrupt law itself was considered very severe in many cases. It was intended to be severe against rascals, and he who called it into requisition must go into court saying, "I come here ready to make good everything if I don't prove you to be what I allege," and therefore I think that the bond feature should stand intact.

Mr. WISE:—I do not think this is a matter of great importance, and for this reason: you are not authorized by this section without bonds to seize a man's estate. You are only authorized to file a petition against him, which you can only do after proving to the satisfaction of the court that he has committed one of the acts of bankruptcy specified in the Act. Under the old law, in the eleven years of its duration, there were very few cases where any damage resulted to any debtor against whom a petition for adjudication was filed; whereas, on the other hand, the requirement for the creditor to give bonds may very often procure a miscarriage of justice. There is nothing seized; he is not attached; nothing can be done to the debtor or his property, only asking him to appear in court. The most that could be required would be a simple prosecution bond, if anything. Then it is the same as if you sued a man, that is all.

Mr. STETSON:—I ask the gentleman from Iowa if this addition to it would remedy the fault:

Provided, that the petitioning creditor shall be liable in damages to the debtor if the petition against the debtor was not made in good faith for the rights and interests of all the creditors.

This portion of this section requires creditors to give bonds, and authorizes a summary trial of the case before a jury, and in case the jury finds for the defendant, the same jury is to assess the damages; and the section then provides that a judgment shall be entered, *etc.* That is a very unusual clause, and has never

been in any bankrupt law, I think. I understand that the reason why it was injected into the bill is that creditors were liable to commence actions against debtors for the purpose of terrorizing them, frightening them with the idea of being forced into bankruptcy, thereby forcing them to pay a debt which otherwise they would not do.

Mr. HENDERSON :—I am not quite prepared to answer the gentleman's question. The amendment is not formulated. It is directed here to a range which would require some considerable time for its consideration, and my official duties have been such that I could not meet with you until late this evening. I hope the committee has given that careful consideration. The point I am in favor of is to strengthen this bill, so that the class I am speaking in behalf of will not feel sensitive in regard to it. Many of my colleagues in Congress say that the country is not ripe for it. I do not believe it. I think we are ripe for this bankruptcy legislation. But at the same time I think you will strengthen the entire bill if you throw around it all the safeguards possible. I cannot say, therefore, to the gentleman, whether that will be a satisfactory amendment unless I would sit down and consider carefully its full scope. It would have been a great pleasure to me if the proposed amendment had been incorporated in printed form, but that would have taken time and money besides.

Mr. STETSON :—I think I am authorized to say on behalf of the committee that they do not press this matter against the judgment of any considerable number of delegates to the Convention. But I will state one or two special reasons why it has been seriously objected to by parties who have read the bill since this was introduced at the last session of Congress. One is that almost always, in proceedings in bankruptcy, petitions for adjudication are filed by some one creditor, and it is asking a great deal of one creditor, out of hundreds, perhaps, to assume all risks and responsibilities of having some far-away jury decide that he has unjustly filed a petition against the defendant, and having to pay all the costs himself, in behalf of creditors who are not held with him. A legal friend suggests that it might be so changed that instead of the bond being given at that time, it should be given before the hearing for adjudication.

Mr. HENDERSON:—Mr. Chairman, I believe that would meet the point.

Mr. STETSON:—It would often be a great hardship to require one creditor living hundreds of miles away in a strange country to furnish bonds subject to this great risk at the hands of a local jury having the power to assess damages against him at once if he failed to secure an adjudication.

Mr. HENDERSON:—I do not think you need to be afraid of the juries. You will get fair play in the Federal courts.

Mr. STETSON:—I assume the responsibility of withdrawing the amendment if the objections are pressed, but I would like to read one or two more.

Mr. HENDERSON:—I think it would be well not to require it to be filed before the order.

Mr. COX, of North Carolina:—I quite agree with my friend Mr. Henderson. I know that the action of this Convention will be carefully scanned. It is stated that we represent the creditor class. The Lowell Bill is denominated by those opposed to it as the "Creditors' Bill." Therefore I think that in order to avoid the opposition which may arise in Congress, and which I know it will have from those who represent a large portion of this country, unless insisted upon, it would be well not to adopt this amendment.

Mr. STETSON:—I am fully familiar with the history of the introduction of this plan into the bankrupt bill at the last session of Congress and who the parties were. It was done upon consultation, I will say, with myself, under the assurance that it would be strengthening the bill in the sections of the country from which the Members came. From a review of all the facts and circumstances I am satisfied that it is almost unfair, and there is really no need of it. I appreciate the objections to it and I withdraw the first amendment and abandon the request that the petitioning creditors should be relieved from giving bonds, and then suggest that I would like to see this provision put in its place:

Provided, that the petitioning creditor shall be liable in dam-

ages to the debtor, if the petition against the debtor was not made in good faith for the rights and interests of all the creditors.

The CHAIRMAN :—Unless objection is made, the Chairman of the committee will be given permission to withdraw the first amendment and substitute that which he has read.

Mr. ROYALL :—I hope not. In my judgment, unless this provision is stricken out, the bill cannot be made operative. I would not advise a client to proceed in bankruptcy against a man and give surety to abide by the result when the same jury that tries the case is to assess the damages; for that jury, if they found that the proceeding was improperly taken, would undoubtedly put it on my client very heavily. Therefore, I should never advise a client, and I do not think any prudent lawyer would advise his client, to do so under this provision. So that I do not believe the law will operate at all unless you strike out that provision as to the jury. I do not think it will operate if we require a creditor to give bonds. A man in California, for instance, is a creditor; he does not know any man there to go on his bonds, and consequently he cannot take proceedings against him. It seems to me that it is sufficient to leave the prosecutor to his common law liability. Certainly the creditor is not going to proceed against the debtor if he has got to be assessed in damages by the very jury that holds in the first place that his action was improperly taken.

The CHAIRMAN :—As there are objections to the withdrawal of the proposed amendment by the committee it will still remain before the body.

Mr. STETSON :—I withdraw my request to test still further the sense of the meeting. I appreciate all that the gentleman from Virginia (Mr. Royall) has said. I feel that it would be an onerous requirement upon the creditor. But I do know that the interests to which this refers are watching our movements very zealously. I know that we are not credited with being half as generous and liberal as we are, and we are yielding to the debtor class—I say it not with any disrespect—privileges and rights which we do not get the credit of, but which we are willing to do if it will help the cause. I would like to have this clause remain. I believe it will

be no injury to the debtor class, but I would like to have my doubting decision strengthened by a vote.

Mr. EHRMAN, of San Francisco:—I was going to move a moment ago that the original amendment as proposed by the committee be adopted.

The CHAIRMAN:—That is the motion before the house.

Mr. MICHAELS, of Rochester:—The old law required no bond I believe.

The CHAIRMAN:—It did not.

Mr. MICHAELS:—As I understand this present law, in order to throw a man into bankruptcy it will be necessary to apply to the judge of the district or the circuit court, and in order to throw a person into bankruptcy you must pay the creditor a certain amount. Why should that creditor be liable to prosecution for doing that which the Act entitles him to do? I shall vote for the amendment as it stands.

Mr. WISE again read the following amendment:

SEC. 35.—Strike out all provisions requiring creditors to give bonds, and also the sentence beginning on line 21 and ending with the word "sureties" on line 23.

The amendment was adopted without objection.

Mr. WISE read the following amendment:

SEC 37. Choice of Trustee. Unformulated amendment as follows:

Lines 6 and 7. Made by "greater part in value and not less than one-third in number of "all known creditors," instead of same proportions "of the creditors voting."

Mr. HENDERSON:—How are you going to determine who are the known creditors excepting those who prove up? I would like the committee to state.

Mr. WISE:—Schedules must be filed.

Mr. HENDERSON:—Had it not better be stated then as to that number of those who have proved up, instead of known creditors. That is a little indefinite.

Mr. WISE:—They cannot vote until they prove; but the object, as I understand it, was that it released the estate from having a trustee appointed who was the choice of but an infinitesimal fraction of the entire number of creditors.

Mr. HENDERSON:—That is very good. I am not questioning the motive of the amendment, but I think the term “known creditors,” is not a very happy one to put into the amendment.

The CHAIRMAN:—Have you a suggestion in the nature of an amendment to the amendment?

Mr. HENDERSON:—I would suggest that it be “creditors who have proved up their claims.” I make the suggestion and will let the committee formulate it.

Mr. STETSON:—The need of the amendment is that the experience under the old law was, that very frequently insufficient notice was given to the creditors and a small minority came and elected an assignee who proved to be unsatisfactory to the majority. The objection which I understand you to raise is that it is a term recognized in some other section of the bill. As to known creditors, they will be known by the list which the debtor files. He is compelled by law to file a schedule giving the name, residence and amount of the claim of every creditor. If anything further than that was required, of course it would be for the court to find out to its satisfaction who the creditors were. It is a very important amendment, to insure the election of an assignee by a proper representation of the creditors.

Mr. MICHAELS:—Suppose that enough of the creditors would not vote. How would you get a sufficient number? There might be a great many small creditors who would not care about voting.

The CHAIRMAN:—Under those circumstances the court would appoint an officer. If there be an election it is to be by the number named. If there is no election, or the persons are not qualified, the appointment will be made by the court.

Mr. HENDERSON:—I agree with Mr. Michaels on the point raised by him. Suppose the creditors present or represented may want to play a trick. Suppose I form myself into a minority,

and that the powers of attorney I have of creditors not present would enable me to keep the proportion down. It would be like a number of members of Congress not voting at all in order to prevent a quorum. I think there is a good deal of merit in the suggestion of Mr. Michaels.

The CHAIRMAN:—Will Mr. Michaels please state his proposition again?

Mr. MICHAELS:—It is, that all creditors proving their claims shall be allowed to vote either personally or by proxy.

Mr. HENDERSON:—The point you raised, as I understand, was that one-third in number of the creditors present——

The CHAIRMAN (interposing):—The Chairman of the committee suggests an amendment which he thinks will obviate the difficulty.

Mr. WISE:—It is simply to take out the word “known,” and in lieu thereof, the word “proven.” Creditors are present if they are there by proxy. One man may hold a number of proxies of creditors and yet vote for each. The amendment would then read:

“Made by the greater part in value, and not less than one-third in number of all proving creditors.”

Mr. MICHAELS:—That covers my idea.

Mr. HENDERSON:—I will withdraw my amendment. I am not formulating so much as I am suggesting questions. Those who have studied over the matter all day ought to be better able to do so than I am.

Mr. STETSON:—I trust that this amendment will not be voted down. It is really a matter of some importance in the practice and experience under the old law.

The CHAIRMAN:—We will now have the amendment read as proposed by the committee.

Mr. WISE:—The original proposition as adopted and reported by the committee, is as follows:

SEC. 37, lines 6-7.—Made by “greater part in value and not less than one-third in number” of all known creditors, instead of same proportion “of creditors voting.”

The CHAIRMAN :—The Chairman of the committee desires to adhere to the original amendment. Does Mr. Henderson desire to press his amendment?

Mr. HENDERSON :—No, sir. I am not pressing my views at all.

The amendment as proposed by the committee was then adopted without objection.

Mr. WISE read the following amendment:

SEC. 37.—An unformulated amendment as follows: "Majority in value of all known creditors may authorize the committee of direction to appoint trustee or trustees."

The amendment was adopted without objection.

Mr. WISE read the following amendment:

Lines 19 and 20.—Limit of time commissioner may be "ex-officio trustee in all cases" to the regular choice or appointment of trustee by the creditors or others. Commissioners shall be eligible for such choice or appointment. This shall not disturb the wise provisions of lines 21 to 23, viz: "Commissioners shall act as trustees in all small bankruptcies where the estate does not exceed one thousand dollars."

The amendment was adopted without objection.

Mr. WISE read the following amendment:

Lines 19 and 20 of the same section: "Creditors may in all cases where commissioner is acting trustee at any time by a majority in number and value of all known creditors, by petition to the judge, take the settlement from the commissioner to a trustee of their, the said creditors', selection."

The amendment was adopted without objection.

Mr. WISE read the following amendment:

SEC. 39.—An unformulated amendment to the following effect: "That the judge may refuse to confirm a trustee; he may remove a trustee for cause, after hearing; he may punish, as for contempt, a trustee who disobeys a lawful order of the court, and upon request of one-fourth in value and number of all known creditors,

the judge may appoint a trustee when there is a failure to elect one, or a refusal to accept the trust; and may add trustees to those chosen and fill all vacancies in the office of trustee caused by death, resignation or otherwise."

The amendment was adopted without objection.

Mr. WISE read the following amendment:

SEC. 40, line 1.—"Creditors shall hold the right to elect committee of direction at any meeting of creditors; not restricted to first meeting."

The amendment was adopted without objection.

Mr. WISE read the following amendment:

SEC. 40.—An unformulated amendment to the following effect: "The committee of direction, or a majority, may give, in writing, directions as to the manner in which the estate is to be administered by the trustee, and it shall be the duty of the trustee to conform to such directions unless the court for some just cause otherwise orders, and the trustee may in all cases appeal any instructions of the committee to the judge."

The amendment was adopted without objection.

Mr. WISE read the following amendment:

SEC. 41.—Committee of Direction. An unformulated amendment to the following effect: "Add provision that a majority in number and three-fourths in value of all known creditors may at first creditors' meeting, or at any time thereafter, take the settlement from the control of the court to the trustee or trustees, under the direction of the committee on direction with full powers under this Act.

"Upon request in writing of a majority in number and three-fourths in value of all known creditors, the judge may appoint such persons as said creditors shall designate to be such committee of direction and trustee or trustees, and in place of those previously chosen or appointed, if any such there be."

The amendment was adopted without objection.

Mr. WISE read the following amendment:

SEC. 42, line 7.—After the word "copyrights" insert the word "trade-marks."

The amendment was adopted without objection.

Mr. WISE read the following amendment:

SEC. 43, line 10.—After the word “begun” insert “provided that in the case of traders said exemption shall not exceed in value one thousand dollars.”

Mr. J. Q. ADAMS of Baltimore :—I would suggest that that be reduced to \$500.

Mr. ROYALL :—I object to that whole section as it stands originally in the bill, and I object to the amendment also.

The CHAIRMAN :—Will you move to strike out the section?

Mr. ROYALL :—No, sir; but I will state my objection and will reply to the amendment; and if the Convention should agree with me I will move to strike out a particular part of the section.

The CHAIRMAN :—You must address your remarks to the question of the amendment, unless you desire to move to strike out the section.

Mr. ROYALL :—I will address myself entirely to the amendment. The trouble which we have in some of the States, and notably in my own State, is with the State exemptions. In the State of Virginia, which I have the honor in part to represent here, we have a homestead exemption of two thousand dollars, and five hundred dollars in addition. That is enough to give a debtor, ordinarily everything, when he goes into bankruptcy, so that our traders, when they trust there, are unable to get anything at all. The original section gave the entire State exemption to the bankrupt, and that is just the very thing which we want to try and get broken up. This amendment leaves the entire State exemption to a person, if he be not a trader. Many of the persons who are traders are also farmers. A man who is a farmer, at a cross-roads may also be a trader, and he will have the State exemption still, and so the law will be of no benefit to our people. Our aim is to get rid of the State exemptions. Suppose a man be a farmer and a trader. Does he not get the State exemption in his character of farmer? I understand the amendment so.

Mr. CURTIS, of Rochester :—As I understand it, when a farmer becomes a trader he relinquishes all claims for exemption as a farmer. He cannot be a farmer in one sense and a trader in another. When he becomes a trader he becomes liable to all the workings of the bankrupt law, as I understand it.

Mr. ROYALL :—If that be the effect of the amendment that ground of objection would fall, but I do not understand that to be the effect of the amendment.

The CHAIRMAN :—We will have the amendment read again and then you will see its effect.

The amendment was again read.

Mr. MICHAELS, of Rochester :—The difficulty with our friend Mr. Royall is that he forgets that we have thirty-eight States. He supposes we can legislate for Virginia alone. That is a mistake. We, or rather, Congress, must legislate for all the States.

The CHAIRMAN :—He desires, in legislating for them all, to legislate a little for Virginia also, I presume?

Mr. ROYALL :—Yes.

Mr. MICHAELS :—This bill places it in a very proper position. It says that the court may allow a bankrupt a sum of money not exceeding a thousand dollars, yet at the same time it may reduce it as much as it pleases. If for instance a trader is not entitled to more than five hundred dollars exemption I suppose the court might allow that. If, on the other hand, the case requires more the court may allow more, but not to exceed one thousand dollars, as I understand that provision.

Mr. ROYALL :—I do not understand that to be the effect of the provision at all. As I understand the section as it stands now, it gives the State exemption to any one, whether he be a trader or a farmer. That is the way the original section stands. The amendment proposes that if he be a trader he shall not have the State exemption, but he may have a thousand dollars. If he be a farmer he shall have the State exemption also. I raise the point that if the individual be both farmer and trader, would he

not then be entitled to the State exemption? If he would not, then that objection will fall to the ground.

Mr. WISE, of New York:—If the Convention will observe section 1, under the head of Definitions they will see that there is an express provision at the end of the section on this subject, which relieves so much of the case from all embarrassment. Now in the section under consideration, section 43, line 8, the following begins:

“And such other as was so exempted by the laws of the State in which said bankruptcy proceedings are instituted at the time when the same were begun.”

There the amendment is to be added :

“Provided that in the case of traders said exemption shall not exceed in value one thousand dollars.”

The State exemptions are preserved. If the State exemption is only two hundred and fifty dollars, the trader there cannot claim one thousand dollars. That is the way I read it. He cannot claim more than the State exemption. But in the case of traders the exemption is limited, and is not to exceed a thousand dollars.

Mr. SAKS of Baltimore :—Mr. President, I consider, so far as I am concerned, and it was strongly impressed upon me by the body which I have the honor to represent, that that should be the object of a bankrupt law. I can frankly say from my own experience in several cases with which I have been engaged, that if I could leave my widow as comfortable as the State exemptions would make her, she would die a great deal richer than I think she will if I continue merchandising. I have read over a great many speeches of the gentlemen in Congress, and I fully recognize, having lived in this city about twenty years, that whatever may be the sentiments of members, they are compelled to yield in some degree to the sentiments of their constituents. I ask my friend Mr. Royall with the Virginia delegation, whether, no matter what the conclusions of the merchants are, if they should succeed in annulling the laws on their statute books the chances are not that they would get back again? I tell you gentlemen that

the State exemptions are a very big feature of this bill. Some of them, as you are all aware, are outrageous. I might quote to you the State exemption of the State of Texas, where a man can build a forty-thousand-dollar house, put a bed in it, and it is his domicile. There is not a law in the world that can take it away from him according to the exemptions of that State. In the State of Virginia a friend of mine recently suffered from their exemption law. He went there and told the creditor, "My dear sir, you have got more assets on their face than you claim. You can pay your debts and have a little surplus left. I would not turn rascal just yet." The man picked up a shot-gun and said, "My dear sir, do you propose to call me a rascal when I merely take advantage of the laws of the State under which I live?"

Gentlemen, a thousand dollars in addition to the five hundred dollars allowed by the Government makes a total of fifteen hundred dollars. Fifteen hundred dollars is above the average worth of small traders. If that sum is allowed it will enable them to get a competency under the bankrupt law. The gentlemen from New York who endorse this provision so highly do not know the sufferings of the people in this section so well as we do who do a jobbing business here. To us a two hundred and fifty dollar bill looks about as large as the average five thousand dollar bill does in New York. That is the class of people who are in the majority in the trading interests of this country; and I venture to say that the class of debtors is likewise largely in the majority who contract bills of two hundred and fifty dollars. But I am willing, so far as I am concerned, to forego my objection to anything that may look like an exemption and make it liberal. As I said before, you will find you have got to make it so in order to get this bill passed. That is what you are after. But I tell you, gentlemen, if you can cut it down to a thousand dollars, I think this Convention will be justified not only in expending a thousand dollars in publishing their work, but twenty thousand dollars, and they will make a great deal of money by the transaction.

Mr. DRUCKER of Cincinnati:—May I ask why the committee has seen proper to change the amount to a thousand dollars?

Mr. STETSON:—Any gentleman who has had occasion to con-

sider and discuss the question of the construction of a bankrupt law for the last five years, will hardly need an answer to the question, or to have it suggested that this is one of the most difficult and uncomfortable questions in the whole list, and one that the parties desiring a bankrupt law have the least confidence in succeeding with. Our friend from Iowa may tell you that his State in particular will not support any bankrupt law that trenches to any considerable degree on the vested rights of State exemption.

Mr. HENDERSON :—Yes, sir. You can depend on being right there.

Mr. STETSON :—I do not believe that Congress will allow this amendment to stand at all. I think the committee will wipe it out before they pass the bill. I have some hope from conversation with members at the last session of Congress that they will yield this much without sacrificing the success of the bill. But I am not very confident of it. States like Iowa will tell you, and tell you with perfectly sound reason and judgment, and fairness and equity that they have said to certain people, "Move into our State, build your house, cut down these trees, cultivate this farm, build up our State, and you shall have such and such property and your creditors shall not take it away from you." Even up in that grand northwestern State they have enough of the State rights doctrine ingrained into them to prevent them from allowing the federal government to come there and violate the contract they have made with their people.

Mr. HENDERSON :—Just as solid on that subject as the Boston Commons.

Mr. STETSON :—This plan was suggested, and if I remember right, it was a child of my own in the first bill drawn by Judge Lowell. We had this same clause and made it five hundred dollars instead of a thousand dollars. In talking with our friends from all sections of the country since that time, I found that the five hundred dollars satisfied and, if I may say so, captured a good many ; and I have been assured by several parties that they will be satisfied with an allowance of a thousand dollars. So we tried the experiment. We offer the proposition in perfect good nature to our Iowa and kindred friends, and if they object to it

we shall not feel aggrieved or surprised. We shall at least have the satisfaction of saying to our friends from Iowa, and even from Texas, that they have doubtless discovered already that credit is worth more to them than their exemption; and when they give up their exemption their credit will be enhanced to a great deal more in value than a few sheep and oxen. (Applause).

Mr. FRIEDMAN, of Philadelphia:—I am obliged to withdraw, and I wish before doing so to record my vote in favor of the bill as amended here, and furthermore in favor of a vote of thanks to the chairman and the committee, which no doubt will be offered before the close of the convention, for the able manner in which they have fulfilled their duties. (Applause).

Mr. ADAMS:—I offer an amendment that this amount be reduced to five hundred dollars instead of a thousand dollars. I see the debtor gets five hundred dollars more from the Government, making it fifteen hundred dollars as it stands here. That is more than two-thirds of the country merchants are worth probably. I for one, if it would jeopardize the bill before Congress, would withdraw my amendment. I think if it passes at a thousand dollars it would be a great deal better. I think some of the laws of the States are nothing but highway robbery. They are not fit to be called laws at all. I would further say that if this bill cannot pass Congress except with the State exemptions as they are left now, I hope the committee will withdraw the bill from Congress, and I hope no such bill will ever pass. I am totally opposed to it. I withdraw my amendment if it will jeopardize the passage of the bill.

Mr. SAKS:—I think we had better look this thing squarely in the face. If this law is going to pass the way it is we would be better off without a bankrupt law, because we will be placing it in the power of every man to become comparatively rich. The name of a man from twenty-five to thirty-five years old is dear to him. He is proud of having his name over his door, and to deprive him of it rankles in his heart. If he becomes embarrassed you still have a hope of compromise. He will give everything up to you. I have known cases of three or four years standing where they would come and want to compromise. The theory

in Congress seems to be to favor not the thousands who are struggling day by day to keep their names over their doors. There seems to be no consideration for that class. It is all for the others. If you have a bankrupt law that will allow what this does, you crush out these men as completely as anything ever was done. To-day men will make an offer of twenty-five or thirty cents if they cannot pay a hundred. But under the bankrupt law they will not offer a penny, because they will live up to the law of the land and take all they can get.

Mr. GEORGE L. PEASE, of New York:—In speaking of this exemption is it understood that if a little firm consists of three or four partners each one gets his exemption?

Mr. WISE:—Yes, sir.

The CHAIRMAN:—That is the effect of the law.

Mr. PEASE:—You sometimes see a very small country store with three partners. If each partner was to have fifteen hundred dollars it would give them much more than many of the concerns are worth. I think we had better look into this thing, as the gentleman from Iowa says, and not make law by the yard.

Mr. WISE:—Each individual is supposed to have individual property which is exempted.

Mr. PEASE:—I have been in the merchandising business for a great many years, and have sold goods in small places. I have sold goods to concerns with three and even four partners, where there was beer on one side of the store, and a few goods on the other side. If you go for an exemption of this sort, surely the creditors would get nothing at all.

Mr. GRINNELL:—I think the Convention has lost sight of one fact in the matter of exemption. It has been stated by delegates that they would prefer to have no bankrupt law rather than to have it with that clause. If they have no bankrupt law do they not have the same law in every State? And will not every debt that you have in Iowa, in Texas and in California be under the exemption laws of the different States? If we can have this law pass Congress and have a uniform law throughout the United States of a thousand or fifteen hundred dollars, it will be right to

all parties and will be a National Law for all States alike. There are some of our States that only allow a hundred dollars. In Texas, as has been stated, the limit is several thousands. Do we alter that by having no law? If we have a bankrupt law as it stands here, we have other points which are much stronger than that and which we would not have without the law. If the law is passed in the way in which it stands before us now, we can command the assistance of every debtor that we have and we can know something of what they are doing. Now every State law has its own peculiar features and you do not know where you are. In some States any debtor can prefer whom he chooses. They cannot under this law, and if there are any assets under this bankrupt law, even allowing the State exemptions, we will have a better chance than we have now. I think it is a mistake for gentlemen to say that they would rather have no bankrupt law than have some few sections left out.

Mr. DRUCKER of Cincinnati:—It seems to me that there are two or three important questions in this bankrupt law, and among them that of exemptions, which would require a great deal of deliberation and about which there must be a great difference of opinion. I must say that here in the Capital of the nation it almost makes me blush to think that Congress does not dare to enact a law that will protect the honest debtors and honest men of the country, simply because they are afraid that those for whom we are endeavoring to legislate, those who are trying to defraud the honest creditors, will not return them back to Congress. Mr. Chairman, I think if we cannot get a law to-day that is honest and that will carry the conviction that the men who are dishonest must be punished, we will fail in the object for which we are assembled. We are trying to make a law not only to save a few dollars but to prevent fraud. We want to make it as strong as we can. We all know that where there is an exemption of five hundred dollars the party can manage by manipulation to bring it up to seven hundred, eight hundred or a thousand dollars. I believe for one that if we cannot get an honest bankrupt law to-day that is alike fair and square to the debtor and to the creditor we had better have none. We do not want to hold out induce-

ments to men, as has been stated, that are only worth perhaps a few hundred dollars, to buy goods worth fifteen hundred dollars, or if there is a firm, from three to five thousand dollars. I do not believe that we should hold out inducements to fraud for those who fail. I would rather not see any bankrupt law than to have to recognize the fact that we have given exemptions which will be unfair to either party.

Mr. HIRSCH of New York:—I have been listening with great patience to all the speeches to-night, and I hope the Convention will listen to me just for a few moments. It seems to me that we come here under the mistaken idea that we are only creditors. We are debtors also. I have been in business for over thirty years and I have never ceased to be a debtor all this time. It will be bad for us if we go before Congress and before the country at large and say that the creditors of America have held a convention against the debtors of America. I have heard a great deal here this evening about fraud, fraudulent transactions and fraudulent bankruptcy. Gentlemen, there is less fraud in this country in a year than there is in the old country in six months. I claim that the honestest merchants are the merchants of the United States of America. We have no reason to say that because a man fails he is a fraudulent bankrupt. In most cases men battle and work as long as they possibly can to uphold their name and to pay their debts. If a man becomes unfortunate and if he fails in business he is not a rascal for all that, and I think it does not become us to speak only of fraudulent bankrupts, when we want in fact to have a law passed to protect the creditor from the encroachments of debtors and the debtor from the unjust encroachments of creditors. (Applause.)

Mr. SHAFFER of North Carolina:—I am not surprised nor ashamed to admit that in the haste of the committee we have skipped one serious question, the question raised as to whether the exemptions allowed by the law as provided for in the bill would give to three or more partners the fifteen hundred dollars or one thousand dollars. That is a subject that never was mentioned in the committee, if I may betray the secrets of the committee without offense. As for myself I know that it escaped my observa-

tion and I know that it ought not to have done so, because I am familiar with the practice and the law of 1867, and I am familiar with the inequality with which it was administered in the several courts of this union. In the Eastern District of the State of North Carolina the judge decided in a partnership case that the assets of the co-partnership were liable to the individuals for their homestead and personal property exemption. In the circuit court in the western district the judges decided that they were not so liable. So it was all over the districts of the Union. Each judge was the judge of his own court, and each judge made his own law. I think we ought to say in effect in this bill that in case of a co-partnership the assets shall not go as exempted property. Only private assets should be appropriated as exempted property to any individual of the co-partnership. Such was, I think, the majority of the adjudications in the United States, without any law on the subject, under the Act of 1867, although some judges decided the reverse.

Mr. MICHAELS of Rochester:—A word in reference to the point that a bankrupt is entitled to fifteen hundred dollars of exemption. Suppose that a man is in business and finds that he is running behindhand, and knows that fifteen hundred dollars is the exemption for each member of the firm. He has a couple of sons, and a year before he expects to fail he takes those sons into partnership. There is no law that can keep each of those partners out of his fifteen hundred dollars. Now the man owes ten thousand dollars. He is entitled to money. That property is sold and all it realizes is five thousand dollars. Hence the partners get the money and the creditors do not get one solitary cent. Perhaps the creditors may even owe him a little something.

Mr. COX of North Carolina:—Occasion has been taken to reflect upon the want of manhood of our Congressmen, and also in regard to our debtor class. Both, according to the statement, are dishonest. Sir, I think that the statistics show that the debtor class of the United States are probably as honest as any in the world. The debtor class is less than ten per cent. That is all. So far as Congressmen are concerned, they are here to reflect the views of the people they represent, and it would be dishonest if

they did not do it. When the Legislature of a Congressman's State send a representative to their capital to legislate for them, having given exemptions to their people which it is their desire to give, if there is an attempt on the part of the creditor class to strike down the State exemptions, I am satisfied that that attempt should not be endorsed by the representatives of the people. I think it inexpedient and unwise to attempt to force Congress to legislate against the sentiments of the people. The creditor classes in this country are a large number. They have a right to be represented and they will be represented. They will be heard at the ballot-box, which is the place where all law originates in this country. It is not for a Congressman to come here arbitrarily and say, "I will legislate for the creditor class." He must come here and represent the sentiments of the people that send him. That is the case in regard to these exemption laws. If the State sees proper to exempt a certain amount of property, when the creditor goes there he is put on his guard and notified that a man in that State is entitled to such an exemption. He cannot exact his pound of flesh beyond what the law allows. If that is the sentiment of the country you cannot legislate against it. The creditor class are not the whole of the American people. I stand here to represent all classes. I want to see the creditor honestly protected and I want to see the debtor mercifully dealt with. Unless the proposed legislation is to that end, I for one will never give my endorsement to it.

Mr. DRUCKER of Cincinnati:—I suppose that I may understand that the gentleman's remarks refer partly to me. Now, Mr. Chairman, it would be very far from me to say that he or any other Member of Congress is dishonest, or that the bill that is to be presented is not for the protection of the debtor as well as the creditor. But I was told right here this evening, in answer to an inquiry, that some Congressmen were afraid to go back to their constituency and ask for a re-election to Congress. I then did say that I would blush to hear that sentiment here in the capital of the nation. I did not intend, Mr. Chairman, to impugn the integrity, the good faith or good will of anybody here or elsewhere, for I have always said that I wanted a bill fair and honor-

able to the debtor as well as the creditor, and I hope that my remarks will be so construed.

Mr. HENDERSON :—We are here in council chamber for the purpose of shaping a bankrupt bill if we can. If any gentleman has said anything to wound another's feelings I do not believe he intended it. If he has, however, I do not think there is any one here who will be disposed to notice it. Our people have sent us here expecting us to keep cool heads and with a kindly disposition for each other to work for a common purpose. (Applause.) I have heard nothing that I think merited a rebuke, and if there has been such a purpose on the part of any one I do not intend to notice it.

It has been my fortune since the Act of March 2, 1867, to represent the creditor classes. I have nearly always represented eastern creditors as attorney, and I know much of their difficulties. As a representative of the people, I think I can appreciate the interests of my people in regard to exemptions. I think that Mr. Stetson carefully and wisely stated the situation when he said that we have got to consider the forces we have to deal with. What you want to do is to attain success, the very best success possible. To come here and act simply and only upon what you would like to have is not the part of a wise legislator—and you gentlemen are all legislators now. You are preparing a bill to lay before Congress, asking that it be enacted into a law. But if you are wise you will act so as to secure a bankruptcy bill in the best possible shape to subserve the general purposes in view.

So far as Iowa is concerned, some of my friends—and we are all friends—think that Iowa is one of those States that has a tremendous exemption law. I want to say for the enlightenment of my friends here that we are not barbarians just across the Mississippi; that we are pretty cool-headed and conservative, and that our exemption laws are conservative also. You may go west into Dakota and find the same trouble as in some of the Eastern States. I know a man there can retire with \$8,000 or \$10,000; and Texas has been spoken of also in that connection. I think myself, as I have listened to the discussion with deep interest, that so far as this body is concerned, we can safely try this \$1,000

amendment. Try it on. If you cannot get it through you will find it out when you attempt to run it through the Committee of Congress. It can be trimmed down and will leave you no worse than before, as one gentleman said. It strikes me that this is a very conservative amendment.

Mr. PEASE of N. Y.:—It strikes me that we might insert a clause to this effect: that the exemption might be left to the discretion of the court, not to exceed \$2,500, and in no instance to exceed the amount exempted by the State law. So that if the exemption under the State law is a small amount it cannot exceed that, and in no instance could it exceed \$2,500, and that to be the entire amount to an entire firm, and the Act to be so worded.

The CHAIRMAN:—Do you submit that as an amendment to the amendment?

Mr. PEASE:—I merely suggest it.

Mr. DIXON of Baltimore:—I wish to ask the gentleman who is so familiar with the law of 1867 whether that law in the first instance made a uniform exemption of \$500 throughout the country?

A DELEGATE:—That was the law.

Mr. SHAFFER of Raleigh, N. C.:—The law of 1867 at first, before it was amended, allowed the sum of \$500 and such other property as is exempt by the laws of the State in which the bankrupt had his domicile at the time of filing the petition, not exceeding the amount of such exemption laws as were in force in the year 1865. That was the first statute. Then they struck out the reference back to 1865 and made it agree with the exemption laws of the State in which the bankrupt had his domicile at the time of filing his petition in bankruptcy, and it remained so until 1878, when it was repealed.

Mr. SAKS of Baltimore:—I am very glad to hear the gentleman from Iowa make that explanation as to what his own views were on the subject, and I am very glad to hear also that there is a \$1,000 exemption in the State of Iowa. In what I said I do not wish to be construed as favoring a \$1,000 exemption law, but I

am satisfied that it is the best that can be got, and we ought to be satisfied if we can get that.

("Question, question.")

The amendment was adopted.

Mr. WISE then read the next amendment proposed by the committee as follows:

Substitute the following for Section 51: That the trustee shall, as soon as may be after the receipt thereof, deposit all moneys belonging to the estate in some designated depository of the United States, in his name as such trustee, and no part thereof shall be withdrawn or paid out except upon a check, draft or warrant signed by the trustee and countersigned by the commissioner or judge.

Mr. HENDERSON moved to amend the amendment of the committee by inserting after the words "United States" the words "designated by the court," so that it will read: "In some designated depository of the United States, designated by the court, in his name as such trustee."

The committee accepted Mr. Henderson's amendment, and the amendment of the committee was then adopted, as amended.

Mr. WISE:—I find that I have omitted one amendment which is:

Section 47, line 16, after the word "bankruptcy" strike out the remainder of the section.

That is made to conform to the practice of the district and circuit courts.

The amendment was adopted.

Mr. SHAFFER, of Raleigh, North Carolina:—If I may be allowed, I would like to offer an amendment to the 43rd section, relating to the amendment of the committee that has just been adopted.

The CHAIRMAN:—Please state the amendment.

Mr. SHAFFER:—Will the Secretary of the committee please read the amendment that was adopted?

Mr. WISE read the amendment of the committee as follows :

Section 43, line 10.—After the word “begun” insert “provided that in the case of traders said exemption shall not exceed in value \$1,000.”

Mr. SHAFFER:—I move to add the words :

And provided also, that in case of co-partnerships, no co-partnership estate shall be exempted to any individual member of the co-partnership.

Mr. WISE:—I think it would be necessary to make that amendment to section 90 which relates to co-partnerships, because there is a provision there which then would have to be amended also, and which reads :

In all other respects the proceedings by or against partners shall be conducted in the like manner as if they had been commenced and prosecuted by or against one person alone.

The committee have added to that, if the gentleman will accept it as a substitute, the following :

Except that no exemption allowed by Section 43 shall be made to the co-partners out of co-partnership property.

Mr. SHAFFER:—That will do.

Mr. WISE then read the next amendment of the committee as follows :

Amend Section 52 so as to read : That when it appears that the distribution of the estate may be delayed by litigation or other cause, the court shall direct the money belonging to such estate to be deposited in a designated depository of the United States upon such interest, not exceeding the legal rate, as said depository may contract with the trustee to pay thereon.

That is for the proper safe keeping of the money of the estate.

The amendment was adopted.

Mr. WISE then read the next amendment proposed by the committee as follows :

Section 59, line 38.—Add a new paragraph as follows :

In case of the refusal of the court to grant a discharge to any

bankrupt, the proof of debt filed in such proceeding shall be considered for all intents and purposes as a judgment roll, and like proceedings may be had for the collection of such debts as in the case of an ordinary judgment.

The amendment was adopted.

Mr. WISE then read the next amendment proposed by the committee as follows :

Section 72, line 16.—Strike out the word “fifty” and insert in lieu thereof the words “one hundred.”

Mr. WISE:—I will state in explanation, Mr. Chairman, that in the British Act the exemption to laborers and clerks is 50 pounds, which would be \$250. The committee thought that \$50 is too small an amount.

The amendment was adopted.

Mr. WISE then read the next amendment proposed by the committee as follows :

Section 74, line 18.—Strike out the word “six” and insert the word “three;” and add after the word “months” the words “or sooner if practicable.”

The amendment was adopted.

Mr. WISE then read the next amendment proposed by the committee as follows :

Section 78, line 5.—Insert after the word “property” the words “by gift or otherwise.”

The amendment was adopted.

Mr. WISE:—Section 82. Discharge of bankrupt. Unformulated amendments, the substance of which is that valid objections to a bankrupt's discharge may be made if he is made insolvent by speculations outside of his regular or legitimate business. It is the transfer of that “future” clause of a previous section.

Mr. DIXON, of Baltimore:—I move the following amendment to the committee's amendment:

After the word “court” in line 11 of section 82 insert the following:

Or in case of voluntary bankruptcy the payment to the general creditors be less than 50 cents on the dollar unless by consent of a majority in number and value of all known creditors.

It is true that you are making this bill provide against almost every fraud. Still we know practically that there are a great many cases where fraud is perpetrated, and as long as the burden of proof is on the creditor it is impossible to prove it. I consider that where a man has honestly gone into bankruptcy, has disclosed his assets and conformed to the law, there would be no trouble about his getting the consent of a majority in number and value of the known creditors. I therefore move that that paragraph be added. According to this whole provision a man can go into voluntary bankruptcy and pay nothing and get a release. I claim that a man, if he be an honest debtor, can get the consent of a majority in number and value of his creditors, if his estate does not yield sufficient to pay them, if it is honestly and fairly accounted for.

Mr. WISE:—I think if this Convention would adopt that it would not add to the merits of the bill. Look at it. The man who conforms to the spirit of the Act and files his own petition in bankruptcy cannot get out, no matter how clean his record, unless he either pays fifty cents on the dollar or his creditors charitably grant him a discharge, whilst a man who is forced to go into bankruptcy—who does not go in until he is pitched in—can be discharged without such consent or payment. I claim that nobody will file a petition voluntarily. They would do as they did under the old law—they would get a few of their friends to put them into involuntary bankruptcy, and then they would be entitled to obtain their discharge without either the consent of the creditors or the payment of a percentage. I am opposed to the spirit which would prompt any such section or provision in a national bankrupt law. We have made the most stringent provisions, and we have asked Congress to punish the debtor criminally if he is guilty of fraud, and we prevent his obtaining a discharge. But I say, on the other hand, that if a man honestly and fairly gives up all he owns in the world to his creditors, and if his record is pure as a business man, he has earned his discharge and

he is entitled to it as a matter of right and not as a matter of charity. I say that there is some little question of sentiment, of humanity, which should underlie this question of discharge of bankrupts. It is poor policy on the part of any State to pauperize its subjects and keep them down. I think it is in consonance with the spirit of American institutions to enable people to rise again in the world, and the history of most of the wealthy men of this country is a record of successive failures, defeats, trials and struggles. I think, therefore, Mr. Chairman, that we can very well afford to let this section stand as it is. It has been very carefully formulated, and I think the whole spirit of the law will be destroyed if we place any such amendment in this section. I submit that the man who has earned his discharge is entitled to it as a matter of right, and not as a matter of charity.

Mr. DIXON:—Perhaps the gentleman who has just taken his seat did not hear the whole scope of what I said. I have too much respect for the majority of creditors to think that such a debtor as he has pictured to us could not get the consent of one-half of his creditors to his getting a discharge, and I took that proposed amendment partly from a similar proposition under the composition Act. I cannot see what difference there is between applying that to the composition Act and to the voluntary act of bankruptcy.

("Question!" question!")

Mr. Dixon's amendment to the amendment of the committee was rejected.

The CHAIRMAN:—The amendment as proposed by the committee will be again read for information.

Mr. WISE read the amendment again as follows:

Valid objections to bankrupt's discharge if he is made insolvent by speculations outside of his regular or legitimate business.

The amendment proposed by the committee was adopted.

Mr. WISE then read the next amendment proposed by the committee as follows:

Section 95.—Composition. An unformulated amendment per-

mitting three-fourths in number and value of all known creditors to provide that not exceeding one-third of the payment to general creditors may be made without collateral security.

The amendment was adopted.

Mr. MILLHISER of Richmond, Va., called the attention of the committee to the amendment which Mr. Wise had stated was to be presented to Section 90, and Mr. Wise read the proposed amendment as follows :

Add the following words at the proper place : " except that no exemptions allowed in Section 43 shall be made to partners out of copartnership property."

The amendment was adopted.

Mr. WISE then read the next amendment proposed by the committee as follows :

To Section 104 add the following :

It shall become and be the duty of any commissioner, supervisor or trustee, acquiring knowledge of the commission or omission of any act, matter or thing on the part of any bankrupt, or of any other person, which act is herein declared to be criminal, to forthwith present such facts to the district judge, who shall, if satisfied that probable cause exists to believe that a crime under this Act has been committed, order the criminal prosecution of the accused person to be conducted under due form of law ; but this provision shall not be construed to prevent any creditor or other citizen having knowledge of the commission of any crime under this Act from presenting information thereof to the court having jurisdiction in the premises.

Mr. COX of N. C.:—I think probably it would be better that the judge should bind over the criminal party.

The CHAIRMAN:—Will you formulate the matter ?

Mr. WISE:—That is a suggestion taken from the last British Act.

Mr. COX:—The criminal procedure of England is different from that in our country. I submit that he can bind him over.

The CHAIRMAN:—He can bind him over, or he can instruct the Grand Jury upon that point.

Mr. Cox's amendment was accepted by the committee, and Mr. Wise again read it as amended, as follows :

On information being given, to forthwith present such facts to the district judge, who shall, if satisfied that probable cause exists to believe that a crime under this Act has been committed, bind over the accused person to appear to answer the charge ; but this provision shall not be construed to prevent any creditor or other citizen having knowledge of the commission of any crime under this Act from presenting information thereof to the court having jurisdiction in the premises.

The amendment of the committee as amended was adopted.

Mr. WISE :—I announce with pleasure that that is all the amendments proposed by the committee.

The CHAIRMAN :—I have no doubt the members of the Convention are gratified at the announcement of the committee. The question now is upon adoption of the report of the committee as a whole.

Mr. RICKERSON of N. Y. :—I move that it be adopted as a whole.

Mr. WISE :—As amended.

The CHAIRMAN :—Gentlemen, you have heard the motion, that the report of the committee, as amended, together with the resolution as submitted by them, be now adopted as a whole. Are you ready for the question ?

("Question ! question !")

Mr. DARBY of Baltimore :—Allow me to explain that while I shall vote for it simply from the desire of the country at large to have a uniform bankrupt law, yet I am opposed to it, because it really favors the debtor class at the expense of the creditor class. Three-fourths of the merchants of the United States are doing business on a capital of \$2,500, and none can enter into bankruptcy until 50 per cent of the assets are consumed, and the amount allowed them gives them all they want.

The CHAIRMAN :—Gentlemen, I will take a rising vote upon the adoption of the report and resolution as a whole, as amended. The vote will be so taken if there be no objection.

Upon a rising vote there was only one vote in the negative.

The CHAIRMAN:—One or two gentlemen did not vote. Mr. Henderson of Iowa did not vote. Everybody will please vote.

Mr. HENDERSON:—I simply did not vote either way, for this reason——

The CHAIRMAN:—I appreciate your situation, and under the circumstances you will be excused.

Mr. HENDERSON:—I know that this will all be gone over carefully by the two Houses, but I want it to be understood that I am heartily in favor of a uniform bankrupt law, or I would not have accepted the designation as a delegate from my own Board of Trade.

The CHAIRMAN:—Thanks for your explanation. The matter is carried with only one vote in the negative. I think the Convention is to be congratulated upon such unanimity.

A vote of thanks to the Chairman and other officers of the Convention, and to the several committees for the able manner in which they had performed their duties, was agreed to unanimously.

Mr. EHRMAN, of San Francisco:—In view of the labors bestowed by this committee and the Convention, which have resulted in carrying out the wishes of those who sent us here, I desire to offer the following resolution:

Resolved, That the following form of petition be printed and furnished to the several bodies represented in this Convention and in sympathy with its objects, for the purpose of being signed by their members and their friends:—

City of _____,

To the Hon. _____.

Your petitioners respectfully represent that they are in favor of the passage of a bankrupt law at the present session of Congress, and therefore respectfully ask you to use your utmost endeavors to secure the passage of the Act recommended by the Bankruptcy Convention held at Washington, on January 16th and 17th, 1884, and now pending before Congress, as

No.

This petition is to be sent to all the Senators and Representatives in Congress now assembled in Washington by the respective Boards of Trade.

The motion was seconded and adopted.

Mr. RICKERSON, of N. Y.:—It has been suggested to me that in the hasty manner in which we have proceeded it is possible that there may be some things that have been overlooked. It therefore occurs to me as eminently proper that this special committee be continued with the view of filling any important gaps, and to carry forward this work properly before the two Houses of Congress. Inasmuch as there is a sum of money to be raised, it would seem to me wise that a motion should prevail that this committee on bankruptcy be continued.

The motion was seconded and agreed to.

Mr. SAKS, of Baltimore:—As thanks are in order, I move that the thanks of the Convention be tendered to the New York Board of Trade and Transportation for their efforts in gathering this Convention together, and for their lavish outlay of funds. I think it is eminently due that they should have our thanks, and I am satisfied that there is no one here who will not think them entitled to them.

The motion was seconded and unanimously adopted.

Mr. PEASE, of New York:—I move that the Chairman of the Convention be added *ex-officio* to the Committee on Bankruptcy.

The CHAIRMAN:—That was done this afternoon.

Mr. ADAMS, of Baltimore:—I move that we adjourn.

The motion was seconded.

The CHAIRMAN:—Unless there are objections the Convention now stands adjourned.

Thereupon, at 11:35 P.M., the Convention adjourned *sine die*.

The following was presented to the Hon. GEORGE F. EDMUNDS, Chairman of the Committee on the Judiciary of the United States Senate, and to the Hon. J. RANDOLPH TUCKER, Chairman of the Committee on the Judiciary of the United States House of Representatives, by JAY L. TORREY, Esq., of St. Louis, and JOHN STETSON, Esq., of Boston, on behalf of the Convention.

WASHINGTON, D. C., *January 18, 1884.*

The undersigned as representatives of a National Convention of commercial bodies, held in this city on the 16th and 17th instant, were instructed to respectfully ask your attention to the following conclusions reached by the Convention:

First.—That an equitable and uniform National Bankrupt Law is one of the necessities of the country.

Second.—That it should be enacted before any crisis arises that will create a selfish demand from any particular class.

Third.—That it recommended and endorsed the bill drafted by Judge Lowell in 1880, as revised by the National Convention of Boards of Trade and other commercial organizations held in Washington in January, 1881, as amended and reported by the Judiciary Committee of the Senate of the United States in January, 1883, and as further amended by the Convention; which bill, with accompanying amendments and documents, is herewith laid before you.

Very respectfully,

JAY L. TORREY,
Chairman of the Convention.

JOHN STETSON,
Chairman of the Committee on Bills and Amendments.

AMENDMENTS TO THE LOWELL BANKRUPTCY BILL.

(U. S. SENATE EDITION.)

*Adopted by the Convention of Mercantile Bodies of the United States,
Held at Willard's Hall in the City of Washington, January 16th,
1884.*

I.

SECTION 1, line 10.—After word “Court” add the words “Person, shall include women.”

II.

SEC. 3, line 9.—Strike out word “Assignee” and insert in lieu thereof “Trustee.”

III.

SEC. 9.—Strike out the whole of said section and insert in lieu thereof the following substitute:

“The several District and Circuit Courts shall each have, concurrently with the Courts of the State, jurisdiction of all suits at law or in equity, as distinguished from proceedings in bankruptcy brought by a Trustee in bankruptcy, in whatever district appointed, against any person, for any cause of action or for the recovery of any debt, damages or property vested in, or claimed by him, as such trustee, or by any person claiming an adverse interest against such trustee.”

IV.

SEC. 12, line 5.—After word “entitled” add “provided that in the case, where States are entitled to six or more members of Congress, there shall not be appointed in the districts thereof, any number of Commissioners exceeding one-half the number of Members of Congress to which said State is entitled.”

V.

SEC. 12, line 10.—After word “Territories” add “for a period of three years prior to such appointment.”

“Before entering upon the duties of their office, the Commissioners appointed under this Act, shall execute to the United States a bond, in the sum of five thousand dollars with two or more sufficient sureties, to be approved by the District Judge, conditioned for the faithful discharge of the duties of such office of Commissioner and *ex-officio* Trustee.”

VI.

SEC. 14, line 7.—After the word “implication” insert as a paragraph :

“All references of litigated questions in law or in equity arising in the Circuit or District Courts under any of the provisions of this Act, shall be made as of course to the Commissioner having charge of the case, except for good cause shown in open Court to the satisfaction of the Judge.”

VII.

SEC. 19, line 7.—Strike out word “district,” and insert after word “Judge” the words “of the District in which the proceedings were pending.”

VIII.

SEC. 20, line 1.—Erase the comma after the word “debtor.”

IX.

SEC. 26, line 19.—After the word “property,” insert the words “by gift or otherwise.”

X.

SEC. 26, line 27.—Add to end of line “but any person whose property may be seized as aforesaid, may procure the release thereof, by giving bonds, conditioned for the indemnity of all creditors, for all damages, which may be sustained by them by reason of such release, which bonds shall be approved by the Judge.”

XI.

SEC. 29, line 1.—After the word “shall,” add, “be PUBLIC and”——

XII.

SEC. 31, line 21.—After the word “oath,” insert the words “or affirmation,” and line 22 after word “petitioner” insert the words, “and shall be filed in duplicate.”

XIII.

SEC. 33, line 1.—Strike out words “person,” and insert in lieu thereof, “trader or corporation.”

XIV.

SEC. 33, line 1.—Strike out words “as aforesaid,” and insert in lieu thereof, “to the amount of one thousand dollars or upwards.”

XV.

SEC. 33, line 6.—After the word “property,” insert “or disposes of the same by gift, with intent to defraud.”

XVI.

SEC. 33, line 16.—Strike out all of said line after word “preference,” also strike out all of lines 17, 18, 19, 20, 21, 22 and words “or Trustees” on line 23.

XVII.

SEC. 33, line 28.—Strike out words “two hundred and fifty,” and insert in lieu thereof “five hundred.”

XVIII.

SEC. 35, line 5.—Strike out words “before such” and also all of lines 6, 7, 8, 9, and down to and including the word “proceeding” on line 10.

XIX.

SEC. 35, line 21.—Strike out all of said line after word “it,” also whole of line 22, and all of line 23 down to and including word “sureties.”

XX.

SEC. 35, line 37.—After word “schedule” insert “in duplicate.”

XXI.

SEC. 37, line 7.—Strike out words “the creditors voting,” and insert in lieu thereof “all known creditors.”

XXII.

SEC. 37, after line 18, make new lines as follows: "And a majority of all known creditors in number and value, may authorize the Committee on Direction, to appoint such Trustee or Trustees as such Committee shall deem necessary, and such appointment when made in pursuance of said authority shall be governed by the same procedure, as is prescribed for the confirmation of such choice when made by the creditors."

XXIII.

SEC. 37, line 20.—Strike out all of said line after word "such," and insert in lieu thereof "until the Trustee or Trustees shall be chosen or appointed by the creditors or otherwise, but such Commissioner shall be eligible for such choice or appointment."

XXIV.

SEC. 37.—At end of line 23, add "provided, however, that in all cases where the Commissioner is acting as Trustee, the creditors shall have the right on the petition of a majority in number and value of all known creditors, to the Judge, to take the settlement of the proceedings from the Commissioner and transfer the same to a Trustee or Trustees chosen by the creditors."

XXV.

SEC. 39.—Strike out the whole of said section and insert the following substitute:

SEC. 39.—Powers of Court in respect to trustees.

That the Judge may refuse to confirm a trustee; he may remove a trustee for cause, after hearing; he may punish as for contempt, a trustee who disobeys a lawful order of the Court, and upon request of one-fourth in value and number of all known creditors, the Judge may appoint a trustee when there is a failure to elect one, or a refusal to accept the trust; may add trustees to those chosen; may fill all vacancies in the office of trustees caused by death, resignation or otherwise."

XXVI.

SEC. 40, line 1—Strike out words "the first" and insert in lieu thereof the word "any."

XXVII.

SEC. 40. line 16—Add as follows:

“The Committee of Direction (or a majority) may give in writing, directions as to the manner in which the estate is to be administered by the trustee, and it shall be the duty to conform to such directions unless the Court for some just cause otherwise orders, and the trustee may in all cases appeal any instructions of the committee to the Judge.”

XXVIII.

SEC. 41, after line 5, add:

“Provided that a majority in number and three-fourths in value of all known creditors may, at the first meeting of creditors, or at any time thereafter, take the settlement of the estate from the control of the Court, to the Trustee or Trustees acting under direction of the Committee of Direction, with full powers under this Act.

Upon the request, in writing, of a majority in number and three-fourths in value of all known creditors, the Judge may appoint such persons as said creditors shall designate, to be such Committee of Direction, and Trustee or Trustees, and in place of those previously chosen or appointed, if any such there be.”

XXIX.

SEC. 42, line 7.—After the word “copyright” insert the word “trade marks.”

XXX.

SEC. 43, line 10.—After the word “begun” insert “provided that in the case of traders, said exemption shall not exceed in value one thousand dollars.”

XXXI.

SEC. 47, line 16.—After word “bankruptcy,” strike out remainder of said section.

XXXII.

SEC. 51.—Strike out said section, and insert in lieu thereof the following:

“That the Trustee shall, as soon as may be after receipt

thereof, deposit all moneys belonging to the estate in some depository designated by the Court, in his name as such Trustee, and no part thereof shall be withdrawn or paid out, except upon check, draft or warrant, signed by the Trustee, and countersigned by the Commissioner or the Judge."

XXXIII.

SEC. 52.—Strike out whole of said section, and insert in lieu thereof, the following:

"That, when it appears that the distribution of the estate may be delayed by litigation or other cause, the Court shall direct the money belonging to such estate to be deposited in a depository to be designated in the manner specified in the preceding section, upon such interest, not exceeding the legal rate, as said depository may contract with the Trustee to pay thereon."

XXXIV.

SEC. 59, line 38.—Add a new paragraph:

"In case of the refusal of the Court to grant a discharge to any bankrupt, the proof of debts filed in such proceeding shall be considered, for all intents and purposes, as a judgment roll, and like proceedings may be had for the collection of such debt, less the amount paid thereon for dividends, as in the case of an ordinary judgment."

XXXV.

SEC. 72, line 16.—Strike out word "fifty," and insert in lieu thereof the words "one hundred."

XXXVI.

SEC. 74, line 18.—Strike out word "six," and insert in lieu thereof word "three," and add after word "months," in said line, the words "or sooner, if practicable."

XXXVII.

SEC. 78, line 5.—After word "property," insert words, by "gift or otherwise."

XXXVIII.

SEC. 82, line 10.—After word “account,” insert “or if he has been made insolvent by speculations outside of his regular or legitimate business.”

XXXIX.

SEC. 90.—Add new paragraph, as follows :

“Provided, however, that no exemptions, as specified in Section 43 of this Act, shall be allowed to the several partners out of the partnership property.”

XL.

SEC. 95, line 8.—Add at end of said line “provided, however, that upon the consent of three-fourths in number and value of all known creditors, one-third of the deferred payment may be evidenced by the promissory notes of the debtor without any security therefor by indorsement or otherwise.”

XLI.

SEC. 104.—Add at end thereof, the following :

“It shall become and be the duty of any Commissioner, Supervisor or Trustee acquiring knowledge of the commission or omission of any act, matter or thing, on the part of any bankrupt or of any other person, which act is herein declared to be criminal, to forthwith present such facts to the District Judge, who, if satisfied that probable cause exists to believe that a crime under this act has been committed, shall bind over the accused person to appear to answer the charge.”

But this provision shall not be so construed as to prevent any creditor or other citizen having knowledge of the commission of any crime under this act to present information thereof to the Court having jurisdiction in the premises.”

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